UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

in

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

For the transition period from __________ to __________

Commission File Number: 001-39423

BigCommerce Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**46-2707656**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11305 Four Points Drive Building II, Suite 100 Austin, Texas	**78726**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (512) 865-4500

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series 1 common stock, $0.0001 par value per share	**BIGC**	**The Nasdaq Global 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, 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 ☒

As of March 31, 2023, the registrant had 74,549,845 shares of common stock, $0.0001 par value per share outstanding.

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PART I—FINANCIAL INFORMATION

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Consolidated Financial Statements

BigCommerce Holdings, Inc.

Condensed Consolidated Balance Sheets
(in thousands, except per share amounts)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 61,070	$ 91,573
Restricted cash	1,117	1,457
Marketable securities	221,272	211,941
Accounts receivable, net	59,009	51,899
Prepaid expenses and other assets	14,048	11,206
Deferred commissions	6,431	6,171
Total current assets	362,947	374,247
Property and equipment, net	10,251	9,083
Right-of-use-assets	5,395	5,887
Prepaid expenses, net of current portion	886	470
Deferred commissions, net of current portion	6,728	7,037
Intangible assets, net	25,550	27,583
Goodwill	49,749	49,749
Total assets	$ 461,506	$ 474,056
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 7,508	$ 7,013
Accrued liabilities	4,239	2,937
Deferred revenue	20,786	17,783
Current portion of operating lease liabilities	2,509	2,609
Other current liabilities	42,316	48,444
Total current liabilities	77,358	78,786
Deferred revenue, net of current portion	1,879	1,759
Long-term debt	337,989	337,497
Operating lease liabilities, net of current portion	9,362	10,008
Other long-term liabilities, net of current portion	478	334
Total liabilities	427,066	428,384
Commitments and contingencies (Note 7)		
Stockholders' equity		
Preferred stock, $0.0001 par value; 10,000 shares authorized at March 31, 2023 and December 31, 2022; 0 shares issued and outstanding, at March 31, 2023 and December 31, 2022.	—	—
Common stock, $0.0001 par value; 500,000 shares Series 1 authorized at March 31, 2023 and December 31, 2022; 74,587 and 73,945 shares Series 1 issued and outstanding at March 31, 2023 and December 31, 2022, respectively.	7	7
Additional paid-in capital	587,022	576,851
Accumulated other comprehensive loss	(482)	(1,199)
Accumulated deficit	(552,107)	(529,987)
Total stockholders' equity	34,440	45,672
Total liabilities and stockholders' equity	$ 461,506	$ 474,056

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	$ 71,757	$ 66,050
Cost of revenue	17,446	17,103
Gross profit	54,311	48,947
Operating expenses:		
Sales and marketing	34,052	33,639
Research and development	20,845	20,944
General and administrative	16,494	15,846
Acquisition related expenses	4,125	12,660
Restructuring charges	420	—
Amortization of intangible assets	2,033	2,037
Total operating expenses	77,969	85,126
Loss from operations	(23,658)	(36,179)
Interest income	2,426	122
Interest expense	(722)	(709)
Other (expense) income	31	(156)
Loss before provision for income taxes	(21,923)	(36,922)
Provision for income taxes	197	115
Net loss	$ (22,120)	$ (37,037)
Basic and diluted net loss per share attributable to common stockholders	$ (0.30)	$ (0.51)
Weighted average shares used to compute basic and diluted net loss per share attributable to common stockholders	74,142	72,476

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	Three months ended March 31, 2023	Three months ended March 31, 2022
Net loss	$ (22,120)	$ (37,037)
Other comprehensive income (loss):		
Net unrealized gain (loss) on marketable debt securities	717	(613)
Total comprehensive loss	$ (21,403)	$ (37,650)

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Preferred Stock and Stockholders' Equity
(in thousands)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	—	$—	73,945	$7	$576,851	$(529,987)	$(1,199)	$45,672
Exercise of stock options, net of shares withheld for taxes	—	—	246	—	(316)	—	—	(316)
Release of restricted stock units	—	—	396	—	—	—	—	—
Stock-based compensation	—	—	—	—	10,487	—	—	10,487
Total other comprehensive loss	—	—	—	—	—	—	717	717
Net loss	—	—	—	—	—	(22,120)	—	(22,120)
Balance at March 31, 2023	—	$—	74,587	$7	$587,022	$(552,107)	$(482)	$34,440

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	—	$—	72,311	$7	$528,540	$(390,068)	$(191)	$138,288
Exercise of stock options	—	—	272	—	277	—	—	277
Release of restricted stock units			90		—		—	—
Stock-based compensation	—	—	—	—	8,962	—	—	8,962
Total other comprehensive loss							(613)	(613)
Net loss	—	—	—	—	—	(37,037)	—	(37,037)
Balance at March 31, 2022	—	$—	72,673	$7	$537,779	$(427,105)	$(804)	$109,877

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash flows from operating activities		
Net loss	$ (22,120)	$ (37,037)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,904	2,826
Amortization of discount on debt	493	488
Stock-based compensation	10,487	8,962
Allowance for credit losses	1,075	1,313
Changes in operating assets and liabilities:		
Accounts receivable	(8,185)	(2,502)
Prepaid expenses	(4,235)	(806)
Deferred commissions	49	(658)
Accounts payable	495	(287)
Accrued and other liabilities	(4,922)	5,702
Deferred revenue	3,123	14
Net cash used in operating activities	(20,836)	(21,985)
Cash flows from investing activities:		
Purchase of property and equipment	(1,063)	(1,340)
Maturity of marketable securities	39,429	9,000
Purchase of marketable securities	(48,043)	(32,473)
Net cash used in investing activities	(9,677)	(24,813)
Cash flows from financing activities:		
Net payment of settlement of equity-based awards	(330)	184
Net cash provided by (used in) financing activities	(330)	184
Net change in cash and cash equivalents and restricted cash	(30,843)	(46,614)
Cash and cash equivalents and restricted cash, beginning of period	93,030	298,704
Cash and cash equivalents and restricted cash, end of period	$ 62,187	$ 252,090
Supplemental cash flow information:		
Cash paid for interest	$ 431	$ 472
Cash paid for taxes	$ 152	$ 32
Noncash investing and financing activities:		
Changes in capital additions, accrued but not paid	$ 65	$ 96
Reconciliation of cash, cash equivalents and restricted cash within the condensed consolidated balance sheet to the amounts shown in the statements of cash flows above:		
Cash and cash equivalents	61,070	250,934
Restricted cash	1,117	1,156
Total cash, cash equivalents and restricted cash	$ 62,187	$ 252,090

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

BigCommerce Holdings, Inc.

Notes to Condensed Consolidated Financial Statements

1. Overview

BigCommerce is leading a new era of ecommerce. Our software-as-a-service (“SaaS”) platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We power both our customers’ branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline point-of-sale systems.

BigCommerce empowers businesses to turn digital transformation into a competitive advantage. We allow merchants to build their ecommerce solution their way with the flexibility to fit their unique business and product offerings. We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including business-to-consumer and business-to-business.

Our headquarters and principal place of business are in Austin, Texas.

We were formed in Australia in December 2003 under the name Interspire Pty Ltd and reorganized into a corporation in Delaware under the name BigCommerce Holdings, Inc. in February 2013.

References in these consolidated financial statements to “we,” “us,” “our,” the “Company,” or “BigCommerce” refer to BigCommerce Holdings, Inc. and its subsidiaries, unless otherwise stated.

2. Summary of significant accounting policies

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

In the opinion of management, the accompanying interim unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation. Certain information and disclosures normally included in the notes to the annual consolidated financial statements prepared in accordance with GAAP have been omitted from these interim unaudited condensed consolidated financial statements pursuant to the rules and regulations of the SEC. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the accompanying notes for the fiscal year ended December 31, 2022, which are included in our Annual Report on Form 10-K, filed with the SEC on March 1, 2023. The results of operations for the three months ended March 31, 2023, are not necessarily indicative of the results to be expected for the year ending December 31, 2023, or for any other period.

In December 2022, we had a reduction in force event that eliminated certain positions and changed the reporting hierarchy and job responsibilities for certain people in our general and administrative function. This resulted in the expense related to these individuals being classified as sales and marketing expenses, when previously, they had been classified as general and administrative expense. Certain prior year amounts have been reclassified for consistency with the current year presentation. For the period ended March 31, 2022 we reclassified $1.5 million from general and administrative expenses to sales and marketing expenses.

Basis of consolidation

The accompanying consolidated financial statements include our accounts and the accounts of our wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. Our fiscal year ends on December 31.

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires certain financial instruments to be recorded at fair value; requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods. Significant estimates; judgments, and assumptions in these consolidated financial statements include: allocating variable consideration for revenue recognition, constrained revenue; the amortization period for deferred commissions; the allowance for credit losses and a determination of the deferred tax asset valuation allowance. Because of the use of estimates inherent in financial reporting process actual results could differ and the differences could be material to our consolidated financial statements

Segment and geographic information

Our chief operating decision maker is our chief executive officer. Our chief executive officer reviews the financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. Accordingly, we have determined that we operate as a single operating and reportable segment.

Revenue by geographic region was as follows:

	Three months ended March 31,	
(in thousands)	**2023**	**2022**
Revenue:		
Americas – U.S.	$ 54,809	$ 51,500
Americas – other	3,351	2,684
EMEA	7,983	6,284
APAC	5,614	5,582
Total revenue	$ 71,757	$ 66,050

Long-lived assets by geographic region was as follows:

	March 31,	December 31,
(in thousands)	**2023**	**2022**
Long-lived assets:		
Americas – U.S.	$ 9,349	$ 8,318
EMEA	633	465
APAC	269	300
Total long-lived assets	$ 10,251	$ 9,083

Cash and cash equivalents

We consider all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash equivalents consist of money market funds and investment securities and are stated at fair value.

Restricted cash

We maintain a portion of amounts collected through our online payment processor with the online payment processor as a security deposit for future chargebacks. Additionally, we have amounts on deposit with certain financial institutions that serve as collateral for letters of credit and lease deposits.

Marketable securities

All marketable securities have been classified as available-for-sale and are carried at estimated fair value. We determine the appropriate classification of our investments in debt securities at the time of purchase. Securities may have stated maturities greater than one year. All marketable securities are considered available to support current operations and are classified as current assets.

For available-for-sale debt securities in an unrealized loss position, our management first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security’s amortized cost basis is written down to fair value and recognized in other

2. Summary of significant accounting policies (continued)

income (expense) in the results of operations. For available-for-sale debt securities that do not meet the aforementioned criteria, our management evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, an allowance is recorded for the difference between the present value of cash flows expected to be collected and the amortized cost basis of the security. Impairment losses attributable to credit loss factors are charged against the allowance when management believes an available-for-sale security is uncollectible or when either of the criteria regarding intent or requirement to sell is met.

Any unrealized losses from declines in fair value below the amortized cost basis as a result of non-credit loss factors is recognized as a component of accumulated other comprehensive (loss) income, along with unrealized gains. Realized gains and losses and declines in fair value, if any, on available-for-sale securities are included in other income (expense) in the results of operations. The cost of securities sold is based on the specific-identification method.

Accounts receivable

Accounts receivable are stated at net realizable value and include unbilled receivables. Agreements with enterprise customers can contain promotional billing periods. Since merchants have full access to the functionality of our platform upon contract execution, and we have enforceable rights to receive payments for the promotional period if the contract is early terminated, revenue is recognized ratably over the contract life. When this occurs, we recognize revenue in advance of invoicing creating an unbilled receivable. In addition, some of our partner and services revenue agreements include substantive minimums where the consideration paid varies over the term of the contract and revenue is recognized ratably over the contract term. Accounts receivable are net of an allowance for credit losses, are not collateralized, and do not bear interest. Payment terms range from due immediately to due within 90 days. The accounts receivable balance at March 31, 2023 and December 31, 2022 included unbilled receivables of $20.1 million and $19.9 million, respectively. Unbilled receivables at March 31, 2023 and December 31, 2022 includes contract assets related to enterprise subscription solutions of $15.2 million and $15.7 million, and PSR customers of $4.9 million and $4.2 million, respectively.

We assess the collectability of outstanding accounts receivable on an ongoing basis and maintain an allowance for credit losses for accounts receivable deemed uncollectible. The balance of accounts receivable includes accounts that have been invoiced but unpaid, and unbilled amounts, which represents revenues recognized in advance of billing. We analyze both the invoiced accounts receivable portfolio and our unbilled accounts receivable for significant risks, historical collection activity, and an estimate of future collectability to determine the amount that we will ultimately collect. This estimate is analyzed quarterly and adjusted as necessary.

Identified risks pertaining to our invoiced accounts receivable, include the delinquency level, customer type, and current economic environment. The estimate of the amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances and the financial condition of customers, our assessment of the overall portfolio and general economic conditions. Identified risks pertaining to our subscription unbilled accounts receivable include customer type, customer activity on our platform, historical contract termination rates, and customer delinquency. The estimate of the amount of accounts receivable that may not be collected is based primarily on historical contract termination rates, customer delinquency rates and an assessment of the overall portfolio and general economic conditions. The identified risk related to our unbilled accounts related to our PSR business are current partner engagement and activity, the financial wherewithal of the partner, the partner’s future plans and the ability to execute on the plans, and their liquidity and overall financial position. The estimate of the amount of accounts receivable that may not be collected is based primarily on the specific evaluation of the partner based on current level of engagement with BigCommerce, their overall financial position and general economic conditions.

The allowance for credit losses consisted of the following:

(in thousands)		
Balance at December 31, 2022	$	9,995
Provision for expected credit losses		1,075
Accounts written off		(1,476)
Balance at March 31, 2023		9,594

The quarter over quarter decrease in the provision for credit losses was due to a decrease in our general reserve related to our subscription accounts receivable due to improved collections which was partially offset by an increase in our reserve related to unbilled receivables.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives or the related lease terms (if shorter).

2. Summary of significant accounting policies (continued)

The estimated useful lives of property and equipment are as follows:

	Estimated Useful Life
Computer equipment	3 years
Computer software	3 years
Furniture and fixtures	5 years
Leasehold improvements	1-10 years

Maintenance and repairs that do not enhance or extend the asset's useful life are charged to operating expenses as incurred.

The carrying values of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, we compare the projected undiscounted future cash flows associated with groups of assets used in combination over their estimated useful lives against their respective carrying amounts. If projected undiscounted future cash flows are less than the carrying value of the asset group, impairment is recorded for any excess of the carrying amount over the fair value of those assets in the period in which the determination is made.

Research and development and internal use software

Research and development expenses consist primarily of personnel and related expenses for our research and development staff, which include: salaries, benefits, bonuses, and stock-based compensation; the cost of certain third-party contractors; and allocated overhead. Expenditures for research and development, other than internal use software costs, are expensed as incurred.

Software development costs associated with internal use software, which are incurred during the application development phase and meet other requirements under the guidance ASC-350 are capitalized. As of March 31, 2023, we have capitalized $4.4 million, net of accumulated depreciation of $0.3 million. As of December 31, 2022, software costs capitalized were $2.8 million, net of accumulated depreciation of $0.0 million. Amortization on internally developed software was $0.3 million and $0.0 million for the three months ended March 31, 2023 and 2022, respectively.

Leases

We determine if an arrangement is a lease or contains a lease at inception. At the commencement date of a lease, we recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lease liability is measured at the present value of lease payments over the lease term. As our leases typically do not provide an implicit rate, we use our incremental borrowing rate for most leases. The right-of-use ("ROU") asset is measured at cost, which includes the initial measurement of the lease liability and initial direct costs incurred and excludes lease incentives.

Lease terms may include options to extend or terminate the lease. We record a ROU asset and a lease liability when it is reasonably certain that we will exercise that option. Operating lease costs are recognized on a straight-line basis over the lease term.

We also lease office space under short-term arrangements and have elected not to include these arrangements in the ROU asset or lease liabilities.

Business combinations

We record tangible and intangible assets acquired and liabilities assumed in business combinations under the acquisition method of accounting. We use best estimates and assumptions, including but not limited to, future expected cash flows, expected asset lives, and discount rates, to assign a fair value to the tangible and intangible assets acquired and liabilities assumed in business combinations as of the acquisition date. These estimates are inherently uncertain and subject to refinement. We allocate any excess purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed to goodwill. During the measurement period, which may be up to one year from the acquisition date, adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill.

Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our condensed consolidated statements of operations.

Acquisition related expenses

Acquisition related expenses consist primarily of cash payments for third-party acquisition costs and other acquisition related expenses. We recognized $4.1 million and $12.7 million in acquisition related expenses during the three months ended March 31, 2023 and 2022, respectively. For the three months ended March 31, 2023, $4.1 million was recognized in connection with contingent compensation arrangements entered with our fiscal 2021 acquisitions. We entered into contingent compensation arrangements, in

2. Summary of significant accounting policies (continued)

which payments will be made or have been made, as applicable, after the first and second anniversaries of the closing or upon the earlier achievement of certain product and financial milestones. The compensation arrangements are contingent upon continued post-acquisition employment with us. During the first period, earlier achievement of product and financial milestones were not met. We account for the cost related to the first and second contingent compensation arrangement payments over the service periods of 12 and 24 months, respectively, beginning on the acquisition date, assuming earlier achievement of product and financial milestones is unlikely to be met.

Goodwill and other acquired intangibles, net

We assess goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events or changes in circumstances would more likely than not reduce the fair value of a reporting unit below its carrying value. When we elect to perform a qualitative assessment and conclude it is not more likely than not the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit is necessary; otherwise, a quantitative assessment is performed and the fair value of the reporting unit is determined. If the carrying value of the reporting unit exceeds the estimated fair value, impairment is recorded.

We evaluate the recoverability of finite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of such asset may not be recoverable. If such review determines the carrying amount of the indefinite-lived asset is not recoverable, the carrying amount of such asset is reduced to its fair value.

Acquired finite-lived intangible assets are amortized over their estimated useful lives. We evaluate the estimated remaining useful life of these assets when events or changes in circumstances indicate a revision to the remaining period of amortization. If we revise the estimated useful life assumption for any assets, the remaining unamortized balance is amortized over the revised estimated useful life on a prospective basis.

Income taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax balances are adjusted to reflect tax rates based on currently enacted tax laws, which will be in effect in the years in which the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period of the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that those assets will be realized. To date, we have provided a valuation allowance against all of our deferred tax assets as we believe the objective and verifiable evidence of our historical pretax net losses outweighs any positive evidence of its forecasted future results. We will continue to monitor the positive and negative evidence, and we will adjust the valuation allowance as sufficient objective positive evidence becomes available.

We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely upon its technical merits at the reporting date. The unrecognized tax benefit is the difference between the tax benefit recognized and the tax benefit claimed on our income tax return. All of our gross unrecognized tax benefits, if recognized, would not affect its effective tax rate, but would be recorded as an adjustment to equity before consideration of valuation allowances. We do not expect unrecognized tax benefits to decrease within the next twelve months. We recognize accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of March 31, 2023, we have not accrued any interest or penalties related to unrecognized tax benefits. We believe that all material tax positions in the current and prior years have been analyzed and properly accounted for and that the risk of additional material uncertain tax positions that have not been identified is remote.

Stock-based compensation

We issue stock options, restricted stock units (“RSUs”) and performance based restricted stock units (“PSUs”). Stock-based compensation related to stock options is measured at the date of grant and is recognized on a straight-line basis over the service period, net of estimated forfeitures. We use the Black-Scholes option-pricing model to estimate the fair value of stock options awarded at the date of grant. Stock-based compensation related to restricted stock units is measured at the date of grant, net of estimated forfeitures, and recognized ratably over the service period. Stock-based compensation related to performance based restricted stock units is measured at the date of grant and recognized using the accelerated attribution method, net of estimated forfeitures, over the remaining service period, when deemed probable.

Net payments on the settlement of equity-based awards were $0.3 million for the three months ended March 31, 2023, which consisted of $1.4 million for tax payments related to the net settlement of equity awards and $1.1 million for proceeds from stock option exercises.

2. Summary of significant accounting policies (continued)

Foreign currency

Our functional and reporting currency and the functional and reporting currency of our subsidiaries is the U.S. dollar. Monetary assets and liabilities denominated in foreign currencies are re-measured to U.S. dollars using the exchange rates at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are measured in U.S. dollars using historical exchange rates. Revenue and expenses are measured using the actual exchange rates prevailing on the dates of the transactions. Gains and losses

resulting from re-measurement are recorded within Other expense in our consolidated statements of operations and were not material for all periods presented.

Restructuring charges

Restructuring charges are comprised of costs incurred as a result of our December 15, 2022 reduction in force as well as an impairment of the right of use asset triggered by our decision to cease using a significant portion of certain leased facilities.

3. Revenue recognition and deferred costs

Revenue recognition

Our sources of revenue consist of subscription solutions fees and partner and services fees. These services allow customers to access our hosted software over the contract period. The customer is not allowed to take possession of the software or transfer the software. Our revenue arrangements do not contain general rights of refund in the event of cancellations.

The following table disaggregates our revenue by major source:

	Three months ended March 31,	
(in thousands)	**2023**	**2022**
Subscription solutions	$ 53,808	$ 47,987
Partner and services	17,949	18,063
Total revenue	$ 71,757	$ 66,050

Subscription solutions

Subscription solutions revenue consists primarily of platform subscription fees from all plans. It also includes recurring professional services and sales of SSL certificates. Subscription solutions are charged monthly, quarterly, or annually for our customers to sell their products and process transactions on our platform. Subscription solutions are generally charged per online store and are based on the store's subscription plan. Monthly subscription fees for Pro and Enterprise plans are adjusted if a customer's gross merchandise volume or orders processed are above specified plan thresholds on a trailing twelve-month basis. For most subscription solutions arrangements, excluding enterprise subscription plans, we have determined we meet the variable consideration allocation exception and, therefore, recognize fixed monthly fees or a pro-rata portion of quarterly or annual fees and any transaction fees as revenue in the month they are earned. Enterprise subscription plans include an upfront promotional period in order to incentivize the customer to enter into a subscription arrangement. For these Enterprise arrangements, the total subscription fee is recognized on a straight-line basis over the term of the contract. Revenue recognized in advance of billing is recorded as unbilled accounts receivable. In determining the amount of revenue to be recognized, we determine whether collection of the transaction price is probable. Only amounts deemed probable are recognized as revenue. Key factors in this determination are historical contract termination rates and general economic factors.

Professional services, which primarily consist of education packages, launch services, solutions architecting, implementation consulting, and catalog transfer services, are generally billed and recognized as revenue when delivered.

Contracts with our retail customers are generally month-to-month, while contracts with our enterprise customers generally range from one to three years. Contracts are typically non-cancellable and do not contain refund-type provisions. Revenue is presented net of sales tax and other taxes we collect on behalf of governmental authorities.

Subsequent to our acquisition of Feedonomics on July 23, 2021, subscription revenue includes revenue from Feedonomics. Feedonomics provides a technology platform and related services that enables online retailers and other sellers to automate online listings of the sellers' information across multiple third-party marketplaces and advertisers (such as Amazon, Google, Facebook, etc.). We provide these services under service contracts which are generally one year or less, and in many cases month-to-month. These service types may be sold stand-alone or as part of a multi-service bundle (e.g. both marketplaces and advertising). The service

3. Revenue recognition and deferred costs (continued)

offerings constitute a single combined performance obligation. Services are performed and fees are determined based on monthly usage and are billed in arrears.

Partner and services

Our partner and services revenue consists of revenue share, partner technology integrations, and marketing services provided to partners. Revenue share relates to fees earned by our partners from customers using our platform, where we have an arrangement with such partners to share such fees as they occur. Revenue share is recognized at the time the earning activity is complete, which is generally monthly. Revenue for partner technology integrations is recorded on a straight-line basis over the life of the contract commencing when the integration has been completed. Revenue for marketing services are recognized either at the time the earning activity is complete, or ratably over the length of the contract, depending on the nature of the obligations in the contract. Payments received in advance of services being rendered are recorded as deferred revenue and recognized when the obligation is completed.

We also derive revenue from the sales of website themes and applications upon delivery.

We recognize revenue share from the sales of third-party applications, on a net basis as we have determined that we are the agent in our arrangements with third-party application providers. All other revenue is recognized on a gross basis, as we have determined we are the principal in these arrangements.

Contracts with multiple performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Our subscription contracts are generally comprised of a single performance obligation to provide access to our platform, but can include additional performance obligations. For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, we may be required to allocate the contract's transaction price to each performance obligation using our best estimate of SSP. Judgment is required to determine the SSP for each distinct performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. We have determined that our standard list price is our best approximation of SSP.

Contracts with our technology solution partners may include multiple performance obligations, which can include integrations and marketing activities. In determining whether integration services are distinct from hosting services we consider various factors. These considerations included the level of integration, interdependency, and interrelation between the implementation and hosting service. We have concluded that the integration services included in contracts with hosting obligations are not distinct. As a result, we defer any arrangement fees for integration services and recognize such amounts over the life of the hosting obligation commencing when the integration has been completed. To determine if marketing activities are distinct, we consider the nature of the promise in the contract, the timing of payment, and the partner expectations. Additional consideration for some partner contracts varies based on the level of customer activity on the platform. Certain agreements contain minimum guarantees of revenue share. These contracts are evaluated to determine if the guaranteed minimum is substantive. If the minimum is deemed substantive, revenue is recognized ratably over the life of the agreement, which results in a contract asset that is included in unbilled receivables. For most of our contracts, we have determined that we meet the variable consideration allocation exception and therefore recognize these variable fees in the period they are earned.

Cost of revenue

Cost of revenue consists primarily of personnel-related costs, including: stock-based compensation expenses for customer support and professional services personnel; costs of maintaining and securing our infrastructure and platform; amortization expense associated with capitalized internal-use software; and allocation of overhead costs.

Deferred revenue

Deferred revenue primarily consists of amounts that have been billed to or received from customers in advance of performing the associated services. We recognize revenue from deferred revenue when the services are performed, and the corresponding revenue recognition criteria are met. We recognized $9.3 million of previously deferred revenue during the three months ended March 31, 2023.

3. Revenue recognition and deferred costs (continued)

The net increase in the deferred revenue balance for the three months ended March 31, 2023 is primarily due to increases in SaaS related subscriptions. Amounts recognized from deferred revenue represent primarily revenue from the sale of subscription solutions, integration, and marketing services.

As of March 31, 2023, we had $155.0 million of remaining performance obligations, which represents contracted revenue minimums that have not yet been recognized, including amounts that will be invoiced and recognized as revenue in future periods. We expect to recognize approximately 56% of the remaining performance obligations as revenue in the following 12-month period, and the remaining balance in the periods thereafter.

Deferred commissions

Certain sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions are not paid on subscription renewals. We amortize deferred sales commissions ratably over the estimated period of our relationship with customers of approximately three years. Based on historical experience, we determine the average life of our customer relationship by taking into consideration our customer contracts and the estimated technological life of our platform and related significant features. We include amortization of deferred commissions in Sales and marketing expense in the consolidated statements of operations. We periodically review the carrying amount of deferred commissions to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. We did not recognize an impairment of deferred commissions during the three months ended March 31, 2023 and the year ended December 31, 2022.

Sales commissions of $1.7 million and $1.6 million were deferred for the three months ended March 31, 2023 and 2022, respectively; and deferred commission amortization expense was $1.6 million and $1.1 million for the three months ended March 31, 2023 and 2022, respectively.

4. Fair value measurements, cash equivalents and marketable securities

Financial instruments carried at fair value include cash and cash equivalents, restricted cash and marketable securities. The carrying amount of accounts receivable approximates fair value due to their relatively short maturities.

For assets and liabilities measured at fair value, fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When determining fair value, we consider the principal or most advantageous market in which it would transact, and assumptions that market participants would use when pricing asset or liabilities.

The accounting standard for fair value establishes a fair value hierarchy based on three levels of inputs, the first two of which are considered observable and the last unobservable. The standard requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable that are significant to the fair value of the asset or liability and are developed based on the best information available in the circumstances, which might include our data.

The following tables summarize the estimated fair value of our cash equivalents, marketable securities and debt.

	As of March 31, 2023			
(in thousands)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Financial assets:				
Money market funds	$ 40,337	$ —	$ —	$ 40,337
U.S. treasury securities	$ 64,272	$ —	$ —	$ 64,272
Corporate securities	$ —	$ 157,000	$ —	$ 157,000
Total financial assets	$ 104,609	$ 157,000	$ —	$ 261,609

	As of December 31, 2022			
(in thousands)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Financial assets:				
Money market funds	$ 68,129	$ —	$ —	$ 68,129
U.S. treasury securities	$ 72,577	$ —	$ —	$ 72,577
Corporate securities	$ —	$ 139,364	$ —	$ 139,364
Total financial assets	$ 140,706	$ 139,364	$ —	$ 280,070

4. Fair value measurements, cash equivalents and marketable securities (continued)

The following tables summarize the estimated fair value of our cash equivalents and marketable securities.

	As of March 31, 2023			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 40,337	$ —	$ —	$ 40,337
Marketable securities:				
U.S. treasury securities	$ 64,545	$ —	$ (274)	$ 64,271
Corporate securities	$ 157,209	$ —	$ (209)	$ 157,000

	As of December 31, 2022			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 68,194	$ —	$ (65)	$ 68,129
Marketable securities:				
U.S. treasury securities	$ 73,208	$ —	$ (631)	$ 72,577
Corporate securities	$ 139,932	$ —	$ (568)	$ 139,364

In September 2021, we issued $345.0 million aggregate principal amount of 0.25% convertible senior notes due 2026 (the “Notes”). The estimated fair value of the notes was approximately $263.1 million as of March 31, 2023. The Notes were categorized as Level 2 instruments as the estimated fair value was determined based on estimated or actual bids and offers of the Notes in an inactive market on the last business day of the period.

5. Business combinations

Fiscal 2022

April 2022 Acquisition of Bundle B2B Inc.

On April 25, 2022, BigCommerce completed its acquisition of Bundle B2B Inc. (“Bundle”), a B2B eCommerce solution that provides advanced B2B functionality seamlessly with BigCommerce’s platform. The total purchase price was $7.7 million. We acquired Bundle because it is complementary to our core business and will allow us to expand our product offerings to our merchant base. The purchase price was based on the expected financial performance of Bundle, not on the value of the net identifiable assets at the time of the acquisition. This resulted in a significant portion of the purchase price being attributed to goodwill. The purchase price included the issuance of common stock in the amount of $4.6 million, cash of $0.8 million, an escrow withheld in the amount of $0.9 million and $1.4 million of contingent consideration. The amount held in escrow will be paid out on the first anniversary date with the issuance of the stock based on the fair value of our common stock on the date of payment. Of the $1.4 million contingent consideration, $0.7 million is tied to the migration of old merchants to updated plans over a 6-months period from acquisition date and the remaining $0.7 million is tied to ongoing performance measures over a 12-months period from the acquisition date. The purchase price primarily included $0.4 million of developed technology and $7.3 million of goodwill that is not expected to be deductible for tax purposes. The identifiable intangible assets, which consisted of developed technology, have estimated useful lives of four years. The pro forma financial information assuming fiscal 2022 acquisition had occurred as of the beginning of the fiscal year prior to the fiscal year of the acquisition, as well as the revenue and earnings generated during the current fiscal year, were not material for disclosure purposes.

6. Goodwill and intangible assets

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired.

Goodwill amounts are not amortized but tested for impairment on an annual basis. There was no impairment of goodwill as of March 31, 2023.

Definite-lived intangible assets are amortized on a straight-line basis over the useful life. Definite-lived intangible assets amortization was $2.0 million for the three months ended March 31, 2023 and 2022, respectively.

6. Goodwill and intangible assets (continued)

Definite-lived intangible assets consists of the following:

(in thousands)	March 31, 2023			December 31, 2022			Weighted average remaining useful life as of March 31, 2023 (in years)
	Gross amount	Accumulated amortization	Net carrying amount	Gross amount	Accumulated amortization	Net carrying amount	
Developed technology	$ 13,367	$ (5,604)	$ 7,763	$ 13,367	$ (4,745)	$ 8,622	2.3
Customer relationship	$ 22,525	$ (6,731)	$ 15,794	$ 22,525	$ (5,734)	$ 16,791	4.1
Tradename	$ 2,470	$ (834)	$ 1,636	$ 2,470	$ (711)	$ 1,759	3.3
Non-compete agreement	$ 162	$ (91)	$ 71	$ 162	$ (78)	$ 84	1.3
Other intangibles	$ 485	$ (199)	$ 286	$ 485	$ (158)	$ 327	1.8
Total definite-lived intangible	$ 39,009	$ (13,459)	$ 25,550	$ 39,009	$ (11,426)	$ 27,583	

As of March 31, 2023, expected amortization expense for definite-lived intangible assets was as follows:

(in thousands)	March 31, 2023
2023 (April 1st through December 31st)	6,099
2024	7,997
2025	6,308
2026	3,429
2027	1,717
Thereafter	—
Total	$ 25,550

7. Commitments, contingencies, and leases

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and that the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. From time to time, we are subject to various claims that arise in the normal course of business. In the opinion of management, we are unaware of any pending or unasserted claims that would have a material adverse effect on our financial position, liquidity, or results. Certain executive officers are entitled to payments in the event of termination of employment in connection with a certain change in control.

Our certificate of incorporation and certain contractual arrangements provide for indemnification of our officers and directors for certain events or occurrences. We maintain a directors and officers insurance policy to provide coverage in the event of a claim against an officer or director. Historically, we have not been obligated to make any payments for indemnification obligations, and no liabilities have been recorded for these obligations on the consolidated balance sheets as of March 31, 2023 or December 31, 2022.

Leases

We lease certain facilities under operating lease agreements that expire at various dates through 2028. Some of these arrangements contain renewal options and require us to pay taxes, insurance and maintenance costs. Renewal options were not included in the ROU asset and lease liability calculation.

Operating and short-term rent expenses was $0.9 million and $1.4 million for the three months ended March 31, 2023 and 2022, respectively. Short-term rent expense was not material for any of the periods presented.

7. Commitments, contingencies, and leases (continued)

Supplemental lease information

Cash flow information (in thousands)	Three months ended March 31,			
	2023		2022	
Cash paid for operating lease liabilities	$	901	$	1,326
Right-of-use assets obtained in acquisition	$	—	$	—

Operating lease information	Three months ended March 31,	
	2023	2022
Weighted-average remaining lease-term	4.1 years	5.2 years
Weighted-average discount rate	5.38 %	5.41 %

The future maturities of operating lease liabilities are as follows:

(in thousands)		March 31, 2023
2023 (April 1st through December 31st)		2,306
2024		2,957
2025		2,775
2026		2,528
2027		2,133
Thereafter		718
Total minimum lease payments	$	13,417
Less imputed interest		(1,548)
Total lease liabilities	$	11,869

Restructuring charges

In December of 2022, we executed a plan to reduce our cost structure (the "2022 Restructure"). The 2022 Restructure included workforce reduction initiatives which resulted in $3.6 million of severance and other compensation charges to be paid in the first quarter of 2023. During the three months ended March 31, 2023, we had additional compensation charges of $0.4 million in relation to the 2022 Restructure. Furthermore, we have $0.2 million still accrued as of March 31, 2023, in connection with the 2022 Restructure. We do not expect any more material charges under this plan.

The 2022 Restructure also included the decision to cease using certain leased office space in Texas and to make this office space available for sublease in January 2023. As a result, in 2022, we evaluated the recoverability of our right-of-use assets and determined the carrying values were not fully recoverable. We calculated the impairment by comparing the carrying amount of the asset group to its estimated fair value based on inputs derived from market prices for similar assets. As a result, we impaired $3.7 million in right-of-use assets and have recorded this amount in Restructuring Charges on the accompanying consolidated statements of operations for the previous year ended December 31, 2022. The impairment charge represents the amount by which the carrying value exceeded the estimated fair value of the asset group.

These charges were recorded within the operating expenses on the accompanying consolidated statement of operations.

8. Other liabilities

The following table summarizes the components of other current liabilities:

(in thousands)	As of March 31, 2023		As of December 31, 2022	
Sales tax payable	$	1,313	$	1,887
Payroll and payroll related expenses		7,726		16,900
Acquisition related compensation		28,892		24,743
Other		4,385		4,914
Other current liabilities	$	42,316	$	48,444

9. Debt

2021 Convertible Senior Notes

In September 2021, we issued $345.0 million aggregate principal amount of 0.25% convertible senior notes due 2026 (the “Notes”). The Notes were issued in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). The net proceeds from the sales of the Notes was approximately $335.0 million after deducting offering and issuance costs related to the Notes and before the 2021 Capped Call transactions, as described below.

The Notes are our senior, unsecured obligations and accrue interest at a rate of 0.25% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2022. The Notes will mature on October 1, 2026, unless earlier converted, redeemed or repurchased by us. Before July 1, 2026, noteholders will have the right to convert their Notes only under the following circumstances: (1) during any calendar quarter (and only during such calendar quarter) commencing after the calendar quarter ending on December 31, 2021, if the Last Reported Sale Price (as defined in the indenture for the Notes) per share of Common Stock (as defined in the indenture for the Notes) exceeds one hundred and thirty percent (130%) of the Conversion Price (as defined in the indenture for the Notes) for each of at least twenty (20) Trading Days (as defined in the indenture for the notes) (whether or not consecutive) during the thirty (30) consecutive Trading Days ending on, and including, the last Trading Day of the immediately preceding calendar quarter; (2) during the five (5) consecutive Business Days (as defined in the indenture for the Notes) immediately after any ten (10) consecutive Trading Day period (such ten (10) consecutive Trading Day period, the “Measurement Period”) if the Trading Price per $1,000 principal amount of Notes for each Trading Day of the Measurement Period was less than ninety eight percent (98%) of the product of the Last Reported Sale Price per share of Common Stock on such Trading Day and the Conversion Rate (as defined in the indenture for the Notes) on such Trading Day; (3) if we call any or all of the Notes for redemption, such Notes called for redemption may be converted any time prior to the close of business on the second business day immediately before the redemption date; or (4) upon the occurrence of specified corporate events. From and after July 1, 2026, noteholders may convert their Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date.

We will settle conversions by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The initial conversion rate for the Notes is 13.6783 shares of common stock per $1,000 principal amount of Notes, which represents an initial conversion price of approximately $73.11 per share of common stock. The conversion rate and conversion price will be subject to adjustment upon the occurrence of certain events, such as distribution of stock dividends or stock splits.

We may not redeem the Notes prior to October 7, 2024. The Notes will be redeemable, in whole or in part (subject to certain limitations), for cash at our option at any time, and from time to time, on or after October 7, 2024 and on or before the 25th scheduled trading day immediately before the maturity date, but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related redemption notice; and (ii) the trading day immediately before the date we send such notice. The redemption price will be a cash amount equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, up to, but excluding, the redemption date. Pursuant to the Partial Redemption Limitation (as defined in the indenture for the Notes), we may not elect to redeem less than all of the outstanding Notes unless at least $150.0 million aggregate principal amount of Notes are outstanding and not subject to redemption as of the time we send the related redemption notice.

If a “fundamental change” (as defined in the indenture for the Notes) occurs, then, subject to a limited exception, noteholders may require us to repurchase their Notes for cash. The repurchase price will be equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any, up to, but excluding, the applicable repurchase date.

In accounting for the issuance of the Notes, we recorded the Notes as a liability at face value. The effective interest rate for the Notes was 0.84%. Transaction costs of $10.0 million, attributable to the issuance of the Notes were recorded as a direct deduction from the related debt liability in the Consolidated Balance Sheet and are amortized to interest expense over the term of the Notes.

The net carrying amount of the Notes consists of the following:

(in thousands)	March 31, 2023	December 31, 2022
Principal balance	$ 345,000	$ 345,000
Unamortized issuance costs	$ (7,011)	$ (7,503)
Carrying value, net	$ 337,989	$ 337,497

9. Debt (continued)

The total interest expense recognized related to the Notes consists of the following:

	Three months ended March 31,	
(in thousands)	2023	2022
Contractual interest expense	$ 216	$ 221
Amortization of issuance costs	493	488
Total	$ 709	$ 709

Debt fees

Lender fees that were paid upfront to the lenders and debt issuance fees paid to third parties are recorded as a discount to the carrying amount of debt and are being amortized to interest expense over the life of the debt.

2021 Capped Call Transactions

In connection with the pricing of the Notes, we used $35.6 million of the net proceeds from the Notes to enter into privately negotiated capped call transactions (the "Capped Call Transactions") with certain financial institutions.

The Capped Call Transactions are generally expected to reduce potential dilution to holders of our common stock upon any conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of the Notes upon conversion of the Notes in the event that the market price per share of our common stock is greater than the strike price of the Capped Call Transactions with such reduction and/or offset subject to a cap.

The Capped Call Transactions have an initial cap price of approximately $106.34 per share, which represents a premium of 100% over the last reported sale prices of our common stock of $53.17 per share on September 9, 2021, and is subject to certain adjustments under the terms of the Capped Call Transactions. Collectively, the Capped Call Transactions cover, initially, the number of shares of our common stock underlying the Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Notes.

The Capped Call Transactions do not meet the criteria for separate accounting as a derivative as they are indexed to our stock. The premiums paid for the Capped Call Transaction have been included as a net reduction to additional paid-in capital within stockholders' equity.

10. Stockholders' equity (deficit)

Equity Incentive Plans – Stock Options

During the three months ended March 31, 2023, we granted an aggregate of 661,378 shares of stock options, with a weighted average exercise price of $10.42 per share. The fair value of options granted was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions (i) expected term of 6.1 years, (ii) expected volatility of 67%, (iii) risk-free interest rate 4.2% and (iv) expected dividend yield of 0%.

Restricted Stock Units

During the three months ended March 31, 2023, we granted an aggregate of 1,522,237 RSUs with a weighted grant-date fair value of $10.42. The RSUs vest over the requisite service period of 4 years from the date of grant, subject to the continued employment of the employees.

10. Stockholders' equity (deficit) (continued)

Stock Based Compensation Expense

Stock-based compensation expense was included in the following line items in the accompanying condensed consolidated statements of operations during the periods presented:

	Three months ended March 31,	
(in thousands)	**2023**	**2022**
Cost of revenue	$ 1,176	$ 862
Sales and marketing	2,808	2,912
Research and development	3,461	2,526
General and administrative	3,042	2,662
Total stock-based compensation expense	$ 10,487	$ 8,962

11. Income taxes

In accordance with applicable accounting guidance, the income tax expense for the three months ended March 31, 2023 is based on the estimated annual effective tax rate for calendar year 2023. Our provision for income taxes is based on estimated effective tax rates derived from an estimate of annual consolidated earnings before taxes, adjusted for nondeductible expenses, other permanent items, valuation allowances, and any applicable income tax credits.

Our provision for income taxes reflected an effective tax rate of approximately (0.90)% and (0.31%) for the three months ended March 31, 2023 and 2022, respectively. For the three months ended March 31, 2023 and 2022, our effective tax rate was lower than the U.S. federal statutory rate of 21% primarily due to our valuation allowance offsetting the benefits of losses. Current income tax expenses and benefits consist primarily of state income tax expense, deferred income tax expense relating to the tax amortization of acquired goodwill and income tax expense from foreign operations.

To date, we have provided a valuation allowance against most of our deferred tax assets as we believe the objective and verifiable evidence of our historical pretax net losses outweighs any positive evidence of our forecasted future results. We will continue to monitor the positive and negative evidence, and will adjust the valuation allowance as sufficient objective positive evidence becomes available.

As of March 31, 2023, we had $396 thousand in uncertain tax positions representing no increase from the balance on December 31, 2022. Operating losses generated in years prior to 2017 remain open to adjustment until the statute of limitations closes for the tax year in which the net operating losses are utilized. Our tax years 2018 through 2022 generally remain open to examination by the major taxing jurisdictions to which we are subject. We are currently not under audit by any taxing jurisdiction.

12. Net loss per share

Net loss per share

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Because we have reported a net loss for the three months ended March 31, 2023, and 2022, the number of shares used to calculate diluted net loss per share of common stock attributable to common stockholders is the same as the number of shares used to calculate basic net loss per share of common stock attributable to common stockholders for the period presented because the potentially dilutive shares would have been antidilutive if included in the calculation. Series 1 and Series 2 have the same rights and privileges except Series 2 are not entitled to vote on any matter except as required by law. A pre-IPO preferred shareholder received Series 2 upon the conversion of their preferred shares at the time of our initial public offering, all of which were subsequently converted to shares of Series 1 common stock. There are no Series 2 shares outstanding as of March 31, 2023. Series 1 common stock is referred to as common stock throughout, unless otherwise noted.

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported:

	As of March 31,	
(in thousands)	**2023**	**2022**
Stock options outstanding	6,008	6,307
Restricted stock units	6,784	4,094
Acquisition related compensation [1]	3,558	2,835
Convertible debt	4,719	4,719
Total potentially dilutive securities	21,069	17,955

(1) In connection with the acquisition of Feedonomics and B2B Ninja, we entered into contingent compensation arrangements for post-acquisition services.
Additionally, our acquisition of Bundle included $1.5 million of contingent consideration. Of the $33.8 million to be paid as of March 31, 2023, $31.8 million can be
settled in shares of common stock assuming a price of $8.94 per share. As of December 31, 2022, of the $33.8 million to be paid, $31.8 million can be settled in shares of
common stock assuming a price of $8.74 per share.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions, or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," and similar words or phrases. These forward-looking statements include statements concerning the following:

- our expectations regarding our revenue, expenses, sales, and operations;
- anticipated trends and challenges in our business and the markets in which we operate;
- the war involving Russia and Ukraine and the potential impact on our operations, global economic and geopolitical conditions;
- our anticipated areas of investments and expectations relating to such investments;
- our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing;
- our ability to compete in our industry and innovation by our competitors;
- our ability to anticipate market needs or develop new or enhanced services to meet those needs;
- our ability to manage growth and to expand our infrastructure;
- our ability to establish and maintain intellectual property rights;
- our ability to manage expansion into international markets and new industries;
- our ability to hire and retain key personnel;
- our ability to successfully identify, manage, and integrate any existing and potential acquisitions;
- our ability to adapt to emerging regulatory developments, technological changes, and cybersecurity needs;
- the anticipated effect on our business of litigation to which we are or may become a party; and
- other statements described in this Quarterly Report on Form 10-Q under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Although we believe the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future performance and involve risks and uncertainties which are subject to change based on various important factors, some of which are beyond our control. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and "Risk Factors," in this Quarterly Report on Form 10-Q as well as factors more fully described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q.

If one or more of the factors affecting the expectations reflected in our forward-looking information and statements proves incorrect, our actual results, performance, or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements. Therefore, we caution the reader not to place undue reliance on any forward-looking information or statements. The effect of these factors is difficult to predict. Factors other than these also could adversely affect our results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time, and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements only speak as of the date of this document, and we undertake no obligation to update any forward-looking information or statements, whether written or oral, to reflect any change, except as required by law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in "Risk Factors." See "Special Note Regarding Forward-Looking Statements."

Overview

BigCommerce is leading a new era of ecommerce. Our SaaS platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, composability and flexibility. We allow merchants to build their ecommerce solution their way with the flexibility to fit their unique business and product offerings. We power both our customers' branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline POS systems. Our strategy is to provide the world's best combination of freedom of choice and flexibility in a multi-tenant SaaS platform. We describe this strategy as "Open SaaS." As of March 31, 2023 we served 5,828 enterprise accounts.

We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including B2C and B2B. Our customers include Ben & Jerry's, Molton Brown, Burrow, SC Johnson, SkullCandy, SoloStove and Vodafone.

We offer access to our platform on a subscription basis. We serve customers with subscription plans tailored to their size and feature needs. For our larger customers, our Enterprise plan offers our full feature set at a monthly subscription price tailored to each business. For SMBs, BigCommerce Essentials offers three retail plans: Standard, Plus, and Pro, priced at $29.95, $79.95, and $299.95 per month when paid annually, or $39, $105, and $399 per month, when paid monthly, respectively. Our Essentials plans include GMV thresholds with programmatic upgrades built in as merchants exceed each plan's threshold.

Our differentiated Open SaaS technology approach combines the flexibility and customization potential of open source software with the performance, security, usability, and value benefits of multi-tenant SaaS. This combination helps businesses turn digital transformation into competitive advantage. While some software conglomerate providers attempt to lock customers into their proprietary suites, we focus on the configurability and flexibility of our open platform, enabling each business to optimize their ecommerce approach based on their specific needs.

Partners are essential to our open strategy. We believe we possess one of the deepest and broadest ecosystems of integrated technology solutions in the ecommerce industry. We strategically partner with, rather than compete against, the leading providers in adjacent categories, including payments, shipping, POS, CMS, CRM, and ERP. We focus our research and development investments in our core product to create a best-of-breed ecommerce platform and co-market and co-sell with our strategic technology partners to our mutual prospects and customers. As a result, we earn high-margin revenue share from a subset of our strategic technology partners, which complements the high gross margin of our core ecommerce platform.

Key business metrics

We review the following key business metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our key business metrics may not correspond with increases or decreases in our revenue. We have included the activity of Feedonomics in our key business metrics from the acquisition date of July 23, 2021, through March 31, 2023. Our key business metrics, such as annual revenue run-rate, subscription annual revenue run rate, average revenue per account and others are calculated as of the end of the last month of the reporting period.

Annual revenue run-rate

We calculate annual revenue run-rate ("ARR") at the end of each month as the sum of: (1) contractual monthly recurring revenue at the end of the period, which includes platform subscription fees, invoiced growth adjustments, product feed management subscription fees, recurring professional services revenue, and other recurring revenue, multiplied by twelve to prospectively annualize recurring revenue, and (2) the sum of the trailing twelve-month non-recurring and variable revenue, which includes one-time partner integrations, one-time fees, payments revenue share, and any other revenue that is non-recurring and variable.

Subscription annual revenue run-rate

We calculate subscription annual revenue run-rate (“ARR”) at the end of each month as the sum of contractual monthly recurring revenue at the end of the period, which includes platform subscription fees, invoiced growth adjustments, product feed management subscription fees, recurring professional services revenue, and other recurring revenue, multiplied by twelve to prospectively annualize recurring revenue.

Average revenue per account

We calculate average revenue per account (“ARPA”) at the end of a period by including customer-billed revenue and an allocation of partner and services revenue, where applicable. We bill customers for subscription solutions and professional services, and we include both in ARPA for the reported period. For example, ARPA as of March 31, 2023, includes all subscription solutions and professional services billed between January 1, 2023, and March 31, 2023. We allocate partner revenue, where applicable, primarily based on each customer’s share of GMV processed through that partner’s solution. Partner revenue that is not directly linked to customer usage of a partner’s solution is allocated based on each customer’s share of total platform GMV. Each account’s partner revenue allocation is calculated by taking the account’s trailing twelve-month partner revenue, then dividing by twelve to create a monthly average to apply to the applicable period in order to normalize ARPA for seasonality.

Enterprise Account metrics

To measure the effectiveness of our ability to execute against our growth strategy, particularly within the mid-market and enterprise business segments, we calculate ARR attributable to Enterprise Accounts. We define Enterprise Accounts as accounts with at least one unique Enterprise plan subscription or an enterprise level feed management subscription (collectively “Enterprise Accounts”). These accounts may have more than one Enterprise plan or a combination of Enterprise plans and Essentials plans.

The chart below illustrates certain of our key business metrics as of the periods ended:

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total ARR (in thousands)	$ 316,688	$ 311,670	$ 305,320	$ 295,946	$ 280,426
Subscription ARR (in thousands)	$ 243,527	$ 238,395	$ 233,134	$ 225,757	$ 212,096
Enterprise Account Metrics:					
# of Accounts	5,828	5,786	5,560	5,418	5,365
ARR $	$ 228,805	$ 223,964	$ 216,202	$ 206,604	$ 188,983
ARR % of Total ARR	72 %	72 %	71 %	70 %	67 %
ARPA	$ 39,260	$ 38,708	$ 38,885	$ 38,133	$ 35,225

Net revenue retention

We use net revenue retention (“NRR”) to evaluate our ability to maintain and expand our revenue with our account base of customers exceeding the ACV threshold over time. The total billings and allocated partner revenue, where applicable, for the measured period are divided by the total billings and allocated partner revenue for such accounts, corresponding to the period one year prior. An NRR greater than 100% implies positive net revenue retention. This methodology includes stores added to or subtracted from an account’s subscription during the previous twelve months. It also includes changes to subscription and partner and services revenue billings, and revenue reductions from stores or accounts that leave the platform during the previous one-year period. Net new accounts added after the previous one-year period are excluded from our NRR calculations. NRR for enterprise accounts was 111% and 118% for years ended December 31, 2022 and 2021, respectively. We update our reported NRR at the end of each fiscal year and do not report quarterly changes in NRR.

Components of results of operations

Revenue

We generate revenue from two sources: (1) subscription solutions revenue and (2) partner and services revenue.

Subscription solutions revenue consists primarily of platform subscription fees from all plans. It also includes recurring professional services and sales of SSL certificates. Subscription solutions are charged monthly, quarterly, or annually for our customers to sell their products and process transactions on our platform. Subscription solutions are generally charged per online store and are based on the store’s subscription plan. Our Enterprise plan contracts are generally for a fixed term of one to three years and are non-cancelable for convenience. Certain enterprise agreements contain promotional periods. Since merchants have full access to the functionality of our platform upon contract execution, revenue is recognized ratably over the contract life. Our retail plans are generally month-to-month contracts. Monthly subscription fees for Pro and Enterprise plans are adjusted if a customer's GMV or orders processed are outside of specified plan thresholds on a trailing twelve-month basis. Fixed monthly fees and any transaction charges related to subscription solutions are recognized as revenue in the month they are earned.

Subsequent to our acquisition of Feedonomics on July 23, 2021, subscription revenue also includes revenue from Feedonomics. Through Feedonomics, BigCommerce provides feed management solutions under service contracts which are generally one year or less and, in many cases, month-to-month. These service types may be sold stand-alone or as part of a multi-service bundle (e.g. both marketplaces and advertising) and are billed monthly in arrears.

We generate partner revenue from our technology application ecosystem. Customers tailor their stores to meet their feature needs by integrating applications developed by our strategic technology partners. We enter into contracts with our strategic technology partners that are generally for one year or longer. We generate revenue from these contracts in three ways: (1) revenue-sharing arrangements, (2) technology integrations, and (3) partner marketing and promotion. We recognize revenue on a net basis from revenue-sharing arrangements when the underlying transaction occurs.

We also generate revenue from non-recurring professional services that we provide to complement the capabilities of our customers and their agency partners. Our services help improve customers' time-to-market and the success of their businesses using BigCommerce. Our non-recurring services include education packages, launch services, solutions architecting, implementation consulting, and catalog transfer services.

Cost of revenue

Cost of revenue consists primarily of: (1) personnel-related costs (including stock-based compensation expense) for our customer success teams, (2) costs that are directly related to hosting and maintaining our platform, (3) fees for processing customer payments, and (4) allocated costs. We expect that cost of revenue will increase in absolute dollars, but may fluctuate as a percentage of total revenue from period to period. With our acquisition of Feedonomics on July 23, 2021, cost of revenue also includes personnel and other costs related to feed management along with other customer support personnel.

Sales and marketing

Sales and marketing expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense), (2) sales commissions, (3) marketing programs, (4) travel-related expenses, and (5) allocated overhead and sales support costs. We focus our sales and marketing efforts on creating sales leads and establishing and promoting our brand. We plan to increase our investment in sales and marketing by hiring additional sales and marketing personnel, executing our go-to-market strategy globally, and building our brand awareness. Incremental sales commissions for new customer contracts are deferred and amortized ratably over the estimated period of our relationship with such customers. No incremental sales commissions are incurred on renewals of customer contracts. We expect our sales and marketing expenses will increase in absolute dollars, but will decrease as a percentage of total revenue over time.

Research and development

Research and development expenses consist primarily of personnel-related expenses (including stock-based compensation expense) incurred in maintaining and developing enhancements to our ecommerce platform and allocated overhead costs. To date, software development costs eligible for capitalization have not been significant.

We believe delivering new functionality is critical to attracting new customers and enhancing the success of existing customers. We expect to continue to make substantial investments in research and development. We expect our research and development expenses to increase in absolute dollars, but decrease as a percentage of total revenue over time, as we continue to leverage engineers in other low-cost international locations. We expense research and development expenses as incurred.

General and administrative

General and administrative expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense) for finance, legal and compliance, human resources, and IT, (2) external professional services, and (3) allocated overhead costs. We expect to incur additional general and administrative expenses as a result of operating as a public company. We also expect to increase the size of our general and administrative functions to support the growth of our business. As a result, we expect that our general and administrative expenses will increase in absolute dollars but may fluctuate as a percentage of total revenue from period to period.

Acquisition related expenses

Acquisition related expenses consists of cash payments for third-party acquisition costs and other acquisition related expenses, including contingent compensation arrangements entered into in connection with acquisitions.

Amortization of intangible assets

Amortization of intangible assets consist of non-cash amortization of acquired intangible assets which were recognized as a result of business combinations and are being amortized over their expected useful life.

Restructuring charges

Restructuring charges are comprised of costs incurred as a result of our 2022 Restructure as well as an impairment of the right of use asset triggered by our decision to cease using a significant portion of certain leased facilities.

Other expenses, net

Other expenses, net consists primarily of interest expense on our bank borrowings partially offset by interest income on corporate funds invested in money market instruments and highly liquid short-term investments.

Provision for income taxes

Provision for income taxes consists primarily of deferred income taxes associated with amortization of tax deductible goodwill and current income taxes related to certain foreign and state jurisdictions in which we conduct business. For U.S. federal income tax purposes and in certain foreign and state jurisdictions, we have NOL carryforwards. The foreign jurisdictions in which we operate have different statutory tax rates than those of the United States. Additionally, certain of our foreign earnings may also be currently taxable in the United States. Accordingly, our effective tax rate will vary depending on the relative proportion of foreign to domestic income, use of foreign tax credits, changes in the valuation of our deferred tax assets and liabilities, applicability of any valuation allowances, and changes in tax laws in jurisdictions in which we operate.

Results of operations

The following table sets forth our results of operations for the periods presented:

	Three months ended March 31,	
	2023	**2022**
	(in thousands)	
Revenue	$ 71,757	$ 66,050
Cost of revenue(1)	17,446	17,103
Gross profit	54,311	48,947
Operating expenses:		
Sales and marketing(1)	34,052	33,639
Research and development(1)	20,845	20,944
General and administrative(1)	16,494	15,846
Acquisition related expenses	4,125	12,660
Restructuring charges	420	—
Amortization of intangible assets	2,033	2,037
Total operating expenses	77,969	85,126
Loss from operations	(23,658)	(36,179)
Interest income	2,426	122
Interest expense	(722)	(709)
Other expense	31	(156)
Loss before provision for income taxes	(21,923)	(36,922)
Provision for income taxes	197	115
Net loss	$ (22,120)	$ (37,037)

(1) Includes stock-based compensation expense as follows:

	Three months ended March 31,	
	2023	2022
	(in thousands)	
Cost of revenue	$ 1,176	$ 862
Sales and marketing	2,808	2,912
Research and development	3,461	2,526
General and administrative	3,042	2,662
Total stock-based compensation expense	$ 10,487	$ 8,962

Revenue by geographic region

The composition of our revenue by geographic region during the three months ended March 31, 2023 and March 31, 2022 were as follows:

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Revenue				
Americas – U.S.	$ 54,809	$ 51,500	$ 3,309	6.4
Americas – other	3,351	2,684	667	24.9
EMEA	7,983	6,284	1,699	27.0
APAC	5,614	5,582	32	0.6
Total Revenue	$ 71,757	$ 66,050	$ 5,707	8.6

Comparison of the three months ended March 31, 2023 and March 31, 2022

Revenue

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Revenue				
Subscription solutions	$ 53,808	$ 47,987	$ 5,821	12.1 %
Partner and services	17,949	18,063	(114)	(0.6)%
Total revenue	$ 71,757	$ 66,050	$ 5,707	8.6 %

Revenue increased $5.7 million, or 8.6%, to $71.8 million from $66.1 million, as a result of increases in subscription solutions revenue. Subscription solutions revenue increased $5.8 million, or 12.1%, to $53.8 million from $48.0 million, primarily due to growth in mid-market and enterprise activity along with strong overall enterprise retention. Partner and services revenue decreased $0.1 million, or (0.6%), to $18.0 million, from $18.1 million, primarily as a result of decreases in revenue-sharing activity with our technology partners.

Cost of revenue, gross profit, and gross margin

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Cost of revenue	$ 17,446	$ 17,103	$ 343	2.0
Gross profit	$ 54,311	$ 48,947	$ 5,364	11.0
Gross margin	75.7 %	74.1 %		

Cost of revenue increased $0.3 million, or 2.0%, to $17.4 million from $17.1 million, primarily as a result of higher hosting costs resulting from increased transactions processed of $0.3 million. Gross margin increased to 75.7% from 74.1%, primarily as a result of the restructuring plan.

Operating expenses

Sales and marketing

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 34,052	$ 33,639	$ 413	1.2
Percentage of revenue	47.5 %	50.9 %		

Sales and marketing expenses increased $0.4 million, or 1.2%, to $34.0 million from $33.6 million, primarily due to additional spend to support revenue growth of $0.4 million in various areas including, but not limited to marketing, travel, contracting services. As a percentage of total revenue, sales and marketing expenses decreased to 47.5% from 50.9%, primarily as a result of cost cutting measures from the restructuring plan.

Research and development

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Research and development	$ 20,845	$ 20,944	$ (99)	(0.5)
Percentage of revenue	29.0 %	31.7 %		

Research and development decreased $0.1 million, or (0.5)%, to $20.8 million from $20.9 million, due to cost cutting measures. As a percentage of total revenue, research and development expenses decreased to 29.0% from 31.7%, primarily as a result of cost cutting measures from the restructuring plan.

General and administrative

	Three months ended March 31,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
General and administrative	$ 16,494	$ 15,846	$ 648	4.1
Percentage of revenue	23.0 %	24.0 %		

General and administrative expenses increased $0.6 million, or 4.1%, to $16.5 million from $15.9 million, primarily due to increased spend of $0.6 million in various areas including, but not limited to audit fees, insurance, contracting services.

Acquisition related expenses

Acquisition related expense was $4.1 million and $12.7 million for the three month periods ended March 31, 2023 and March 31, 2022, respectively, primarily as a result of acquisition related compensation in conjunction with our business combination.

Restructuring charges

Restructuring charges were $0.4 million for the three months ended March 31, 2023, primarily as a result of severance charges from the reduction in workforce. Restructuring charges were $0.0 million for the three months ended March 31, 2022.

Interest income

Interest income was $2.4 million for the three month period ended March 31, 2023, primarily as a result of investment income reinvested at higher interest rates and insignificant for the three months ended March 31, 2022 .

Interest expense

Interest expense was $0.7 million for the three month periods ended March 31, 2023 and March 31, 2022.

Other expense

Other expense was insignificant for the three month periods March 31, 2023 and March 31, 2022.

Provision for income taxes

Our provision for income taxes was insignificant in the three month periods ended March 31, 2023 and 2022.

Liquidity and capital resources

We have incurred losses since our inception and may continue to generate negative operating cash flow, however we believe we have sufficient cash and cash equivalents and marketable securities to continue to fund operations. During the year ended December 31, 2021, we issued approximately $345.0 million in convertible debt and used $35.6 million of the proceeds to enter into capped call transactions.

Our operational short-term liquidity needs primarily include working capital for sales and marketing, research and development, and continued innovation. We have generated significant operating losses and negative cash flows from operations as reflected in our accumulated deficit and condensed consolidated statements of cash flows. We expect to continue to incur operating losses and negative cash flows from operations for the full year 2023 and may require additional capital resources to execute strategic initiatives to grow our business. Our future capital requirements will depend on many factors, including our growth rate, levels of revenue, the expansion of sales and marketing activities, market acceptance of our platform, the results of business initiatives, the timing of new product introductions, and the continued impact of the conflict in Ukraine and inflation on the global economy and our business, financial condition, and results of operations.

We believe that our existing cash and cash equivalents and our cash flows from operating activities will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months. In the future, we may attempt to raise additional capital through the sale of additional equity or debt financing. In connection with our acquisition of Feedonomics, we paid $32.5 million in cash at the first anniversary of closing and are obligated to make a payment of up to $32.5 million to be paid at the second anniversary of closing or upon the earlier achievement of certain milestones. We may elect to make the second anniversary payment partially or entirely in shares of our common stock in lieu of cash. If we choose to issue stock to settle the remaining payment, we will be required to register these shares with the Securities and Exchange Commission. The sale of additional equity would be dilutive to our stockholders. Additional debt financing could result in increased debt service obligations and more restrictive financial and operational covenants. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition could be adversely affected. From time to time, we may seek to repurchase, redeem or otherwise retire our convertible notes through cash repurchases and/or exchanges for equity securities, in open market repurchases, privately negotiated transactions, tender offers or otherwise. Such repurchases, redemptions or other transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material. We do not have any material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

Cash flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Three months ended March 31,	
	2023	**2022**
	(in thousands)	
Net cash used in operating activities	$ (20,836)	$ (21,985)
Net cash used in investing activities	$ (9,677)	$ (24,813)
Net cash provided by (used in) financing activities	$ (330)	$ 184
Net decrease in cash, cash equivalents and restricted cash	$ (30,843)	$ (46,614)

As of March 31, 2023, we had $283.5 million in cash, cash equivalents, restricted cash and marketable securities, a decrease of $93.8 million compared to $377.3 million as of March 31, 2022. Cash and cash equivalents consist of highly-liquid investments with original maturities of less than three months. Our restricted cash balance of $1.1 million and $1.2 million at March 31, 2023 and 2022 respectively, consists of security deposits for future chargebacks and amounts on deposit with certain financial institutions. Our marketable securities balance of $221.3 million and $125.2 million at March 31, 2023 and 2022 respectively, consists of investments in debt securities. We maintain cash account balances in excess of FDIC-insured limits.

Operating activities

Net cash used in operating activities for the three months ended March 31, 2023 and 2022 was $20.8 million and $22.0 million, respectively. This consisted primarily of our net losses adjusted for certain non-cash items including depreciation, stock-based compensation, debt discount amortization, amortization of intangible assets, bad debt expense, and the effect of changes in working capital.

Investing activities

Net cash used in investing activities during the three months ended March 31, 2023 and 2022 was $9.7 million and $24.8 million, respectively. In the three months ended March 31, 2023, this consists primarily of the purchases of marketable securities of $48.0 million and the purchases of property and equipment of $1.1 million offset by the maturity of marketable securities of $39.4 million. In the three months ended March 31, 2022, this consists primarily of the purchases of marketable securities of $32.5 million, the purchases of property and equipment of $1.3 million partially offset by the maturity of marketable securities of $9.0 million.

Financing activities

Net cash provided by (used in) financing activities during the three months ended March 31, 2023 and 2022 was $0.3 million and $0.2 million, respectively. In the three months ended March 31, 2023, this was attributable to withholdings from the issuance of shares of common stock pursuant to the exercise of stock options of $0.3 million. In the three months ended March 31, 2022, this consisted of the proceeds from the issuance of shares of common stock pursuant to the exercise of stock options of $0.2 million.

Indebtedness

2021 Convertible senior notes

In September 2021, we issued $345,000,000 principal amount of 0.25% Convertible Senior Notes due 2026 (the “Convertible Notes”). The Convertible Notes were issued pursuant to, and are governed by, an indenture (the “Convertible Notes Indenture”), dated as of September 14, 2021, between us and U.S. Bank National Association, as trustee.

The Convertible Notes are our senior, unsecured obligations and are (i) equal in right of payment with our future senior, unsecured indebtedness; (ii) senior in right of payment to our future indebtedness that is expressly subordinated to the Convertible Notes in right of payment; (iii) effectively subordinated to our future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries.

The Convertible Notes accrue interest at a rate of 0.25% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2022. The Convertible Notes will mature on October 1, 2026, unless earlier repurchased, redeemed or converted. Before July 1, 2026, noteholders have the right to convert their Convertible Notes only upon the occurrence of certain events. From and after July 1, 2026, noteholders may convert their Convertible Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. We will settle conversions by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The initial conversion rate was 13.6783 shares of common stock per $1,000 principal amount of Convertible Notes, which represents an initial conversion price of approximately $73.11 per share of common stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a “Make-Whole Fundamental Change” (as defined in the Convertible Notes Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

We may not redeem the Convertible Notes at our option at any time before October 7, 2024. The Convertible Notes will be redeemable, in whole or in part (subject to the “Partial Redemption Limitation” (as defined in the Convertible Notes Indenture)), at our option at any time, and from time to time, on or after October 7, 2024 and on or before the 25th scheduled trading day immediately before the maturity date, but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related redemption notice; and (ii) the trading day immediately before the date we send such notice. The redemption price will be a cash amount equal to the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, calling any Convertible Note for redemption will constitute a Make-Whole Fundamental Change with respect to that Convertible Note, in which case the conversion rate applicable to the conversion of that Convertible Note will be increased in certain circumstances if it is converted after it is called for redemption. Pursuant to the Partial Redemption Limitation, we may not elect to redeem less than all of the outstanding Convertible Notes unless at least $150.0 million aggregate principal amount of Convertible Notes are outstanding and not subject to redemption as of the time we send the related redemption notice.

If certain corporate events that constitute a "Fundamental Change" (as defined in the Convertible Notes Indenture) occur, then, subject to a limited exception for certain cash mergers, noteholders may require us to repurchase their Convertible Notes at a cash repurchase price equal to the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving us and certain de-listing events with respect to our common stock.

The Convertible Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Convertible Notes Indenture), which include the following: (i) certain payment defaults on the Convertible Notes (which, in the case of a default in the payment of interest on the Convertible Notes, will be subject to a 30-day cure period); (ii) our failure to send certain notices under the Convertible Notes Indenture within specified periods of time; (iii) our failure to comply with certain covenants in the Convertible Notes Indenture relating to our ability to consolidate with or merge with or into, or sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of us and our subsidiaries, taken as a whole, to another person; (iv) a default by us in our other obligations or agreements under the Convertible Notes Indenture or the Convertible Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Convertible Notes Indenture; (v) certain defaults by us or any of our significant subsidiaries with respect to indebtedness for borrowed money of at least $65,000,000; and (vi) certain events of bankruptcy, insolvency and reorganization involving us or any of our significant subsidiaries.

If an Event of Default involving bankruptcy, insolvency or reorganization events with respect to us (and not solely with respect to a significant subsidiary of us) occurs, then the principal amount of, and all accrued and unpaid interest on, all of the Convertible Notes then outstanding will immediately become due and payable without any further action or notice by any person. If any other Event of Default occurs and is continuing, then, the trustee, by notice to us, or noteholders of at least 25% of the aggregate principal amount of Convertible Notes then outstanding, by notice to us and the trustee, may declare the principal amount of, and all accrued and unpaid interest on, all of the Convertible Notes then outstanding to become due and payable immediately. However, notwithstanding the foregoing, we may elect, at our option, that the sole remedy for an Event of Default relating to certain failures by us to comply with certain reporting covenants in the Convertible Notes Indenture consists exclusively of the right of the noteholders to receive special interest on the Convertible Notes for up to 180 days at a specified rate per annum not exceeding 0.50% on the principal amount of the Convertible Notes.

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements as of March 31, 2023 or as of December 31, 2022.

Critical accounting policies and estimates

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. We also make estimates and assumptions on the reported revenue generated and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Annual Report on Form 10-K for the year ended December 31, 2022.

Recent accounting pronouncements

A discussion of recent accounting pronouncements is included in Note 2 to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate risk

Our cash, cash equivalents and restricted cash, consist primarily of interest-bearing accounts. Such interest-earning instruments carry a degree of interest rate risk. To minimize interest rate risk in the future, we intend to maintain our portfolio of cash equivalents in a variety of investment-grade securities, which may include commercial paper, money market funds, and government and non-government debt securities. Because of the short-term maturities of our cash, cash equivalents, restricted cash, and marketable securities, we do not believe that an increase in market rates would have any significant negative impact on the realized value of our investments. A one-eighth percent change in interest expense would have an annual impact of approximately $0.4 million on cash interest expense.

Foreign currency exchange risk

All of our revenue and a majority of our expense and capital purchasing activities for the year ended December 31, 2022 were transacted in U.S. dollars. As we expand our sales and operations internationally, we will be more exposed to changes in foreign exchange rates. Our international revenue is currently collected in U.S. dollars. In the future, as we expand into additional international jurisdictions, we expect that our international sales will be primarily denominated in U.S. dollars. If we decide in the future to denominate international sales in currencies other than the U.S. dollar, unfavorable movement in the exchange rates between the U.S. dollar and the currencies in which we conduct foreign sales could have an adverse impact on our revenue.

A portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies, which are subject to fluctuations due to changes in foreign currency exchange rates. In particular, in our Australia and UK-based operations, we pay payroll and other expenses in Australian dollars and British pounds sterling, respectively. Our operating results and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe that the exposure to foreign currency fluctuation from operating expenses is relatively small at this time as the related costs do not constitute a significant portion of our total expenses.

We currently do not hedge foreign currency exposure. We may in the future hedge our foreign currency exposure and may use currency forward contracts, currency options, and/or other common derivative financial instruments to reduce foreign currency risk. It is difficult to predict the effect future hedging activities would have on our operating results.

Credit risk

Financial instruments that potentially subject us to concentration of credit risk consist of cash, cash equivalents, restricted cash, accounts receivable and marketable securities. We invest our cash equivalents in highly rated money market funds. Our marketable securities consist of debt securities issued by highly rated corporate entities, foreign governments, the U.S. federal government or state and local governments. Our exposure to any individual corporate entity is limited by policy. Deposits may exceed federally insured limits, and we are exposed to credit risk on deposits in the event of default by the financial institutions to the extent account balances exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). We are closely monitoring ongoing events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, including Silicon Valley Bank (SVB). On March 10, 2023, SVB, where we maintained an operating account with a cash balance of less than 1% of our total cash, cash equivalents and marketable securities, was closed by the California Department of Financial Protection and Innovation and the FDIC was appointed as receiver. On March 12, 2023, the U.S. Department of the Treasury, Federal Reserve Board, and FDIC released a joint statement announcing that the FDIC would complete its resolution of SVB in a manner that fully protected all depositors at SVB and that depositors would have access to all of their money starting March 13, 2023. On March 26, 2023, it was announced that First-Citizens Bank & Trust Company would assume all of SVB's deposits and loans as of March 27, 2023. In light of the foregoing, we do not believe we have exposure to loss as a result of SVB’s receivership. During the periods presented, we have not experienced any losses on its deposits of cash, cash equivalents or marketable securities.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to a company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2023, the end of the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of such date.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Content

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in litigation related to claims arising from the ordinary course of our business. We believe that there are no claims or actions pending or threatened against us, the ultimate disposition of which would have a material adverse effect on us.

Item 1A. Risk Factors.

As of the date of this report, there are no material changes to our risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

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

(a) **Recent Sales of Unregistered Equity Securities**

None.

(b) **Use of Proceeds**

None.

(c) **Repurchases**

(in thousands)	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may be purchased under the plans or program
January 2023	—	$ —	—	—
February 2023	—	$ —	—	—
March 2023	—	$ —	—	—
Total	—	$ —	$ —	$ —

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date
2.1	Asset Purchase Agreement by and among BigCommerce Holdings, Inc, BigCommerce Omni LLC, Feedonomics LLC, and certain other affiliated parties and significant equity holders of Feedonomics LLC, dated July 23, 2021	8-K	001-39423	2.1	July 23, 2021
3.1	Seventh Amended and Restated Certificate of Incorporation of the registrant.	8-K	001-39423	3.1	August 10, 2020
3.2	Amended and Restated Bylaws of the registrant.	8-K	001-39423	3.2	August 10, 2020
4.1	Indenture, dated September 14, 2021 between Registrant and U.S Bank National Association	8-K	001-39423	4.1	September 15, 2021
4.2	Form of certificate representing the 0.25% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.1)	8-K	001-39423	4.1	September 15, 2021
31.1**	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2**	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1†	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350c, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document. (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

† The certifications attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is deemed furnished and not filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of BigCommerce Holdings, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

** Filed herewith.

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.

	BigCommerce Holdings, Inc.	
Date: May 5, 2023	By:	/s/ Brent Bellm **Brent Bellm** **President and Chief Executive Officer**
Date: May 5, 2023	By:	/s/ Robert Alvarez **Robert Alvarez** **Chief Financial Officer**

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brent Bellm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BigCommerce Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

By: /s/ Brent Bellm
Brent Bellm
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Alvarez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BigCommerce Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

By: /s/ Robert Alvarez
Robert Alvarez
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BigCommerce Holdings, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2023

By: /s/ Brent Bellm

Brent Bellm
Chief Executive Officer
(Principal Executive Officer)

Date: May 5, 2023

By: /s/ Robert Alvarez

Robert Alvarez
Chief Financial Officer
(Principal Financial Officer)