UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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, 2024

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 May 7, 2024, the registrant had 77,274,527 shares of common stock, $0.0001 par value per share outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

BigCommerce Holdings, Inc.

Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2024 (unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 60,900	$ 71,719
Restricted cash	1,112	1,126
Marketable securities	204,281	198,415
Accounts receivable, net	39,302	37,713
Prepaid expenses and other assets, net	29,251	24,733
Deferred commissions	8,695	8,280
Total current assets	343,541	341,986
Property and equipment, net	9,991	10,233
Operating lease, right-of-use-assets	4,024	4,405
Prepaid expenses, net of current portion	1,817	1,240
Deferred commissions, net of current portion	6,430	7,056
Intangible assets, net	24,584	27,052
Goodwill	52,086	52,086
Total assets	$ 442,473	$ 444,058
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 7,063	$ 7,982
Accrued liabilities	3,212	2,652
Deferred revenue	34,810	32,242
Current portion of debt	553	547
Current portion of operating lease liabilities	2,477	2,542
Other current liabilities	19,830	24,785
Total current liabilities	67,945	70,750
Long-term portion of debt	339,970	339,614
Operating lease liabilities, net of current portion	7,014	7,610
Other long-term liabilities, net of current portion	625	551
Total liabilities	415,554	418,525
Stockholders' equity		
Common stock	7	7
Additional paid-in capital	628,058	620,021
Accumulated other comprehensive gain (loss)	(96)	163
Accumulated deficit	(601,050)	(594,658)
Total stockholders' equity	26,919	25,533
Total liabilities and stockholders' equity	$ 442,473	$ 444,058

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

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BigCommerce Holdings, Inc.

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

	For the three months ended March 31, 2024	2023
Revenue	$ 80,360	$ 71,757
Cost of revenue [1]	18,439	17,446
Gross profit	61,921	54,311
Operating expenses: [1]		
Sales and marketing	32,432	34,052
Research and development	19,988	20,845
General and administrative	14,929	16,494
Acquisition related expenses	333	4,125
Restructuring charges	0	420
Amortization of intangible assets	2,467	2,033
Total operating expenses	70,149	77,969
Loss from operations	(8,228)	(23,658)
Interest income	3,178	2,426
Interest expense	(720)	(722)
Other income (expense)	(332)	31
Loss before provision for income taxes	(6,102)	(21,923)
Provision for income taxes	(290)	(197)
Net loss	$ (6,392)	$ (22,120)
Basic net loss per share	$ (0.08)	$ (0.30)
Shares used to compute basic net loss per share	76,626	74,142

[1] Amounts include stock-based compensation expense and associated payroll tax costs, as follows:

	For the three months ended March 31, 2024	2023
Cost of revenue	$ 656	$ 1,189
Sales and marketing	1,867	2,867
Research and development	3,476	3,503
General and administrative	2,592	3,079

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(unaudited)

	Three months ended March 31,	
	2024	**2023**
Net loss	$ (6,392)	$ (22,120)
Other comprehensive income (loss):		
Net unrealized gain (loss) on marketable debt securities	(259)	717
Total comprehensive loss	$ (6,651)	$ (21,403)

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Three months ended March 31, 2024					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	76,410	$ 7	$ 620,021	$ (594,658)	$ 163	$ 25,533
Proceeds from exercise of stock options	308	0	974	0	0	974
Release of restricted stock units	507	0	(1,325)	0	0	(1,325)
Stock-based compensation	0	0	8,388	0	0	8,388
Total other comprehensive loss	0	0	0	0	(259)	(259)
Net loss	0	0	0	(6,392)	0	(6,392)
Balance at March 31, 2024	77,225	$ 7	$ 628,058	$ (601,050)	$ (96)	$ 26,919

	Three months ended March 31, 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	73,945	$ 7	$ 576,851	$ (529,987)	$ (1,199)	$ 45,672
Proceeds from exercise of stock options	246	0	(316)	0	0	(316)
Release of restricted stock units	396	0	0	0	0	0
Stock-based compensation	0	0	10,487	0	0	10,487
Total other comprehensive loss	0	0	0	0	717	717
Net loss	0	0	0	(22,120)	0	(22,120)
Balance at March 31, 2023	74,587	$ 7	$ 587,022	$ (552,107)	$ (482)	$ 34,440

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash flows from operating activities		
Net loss	$ (6,392)	$ (22,120)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,486	2,904
Amortization of discount on debt	497	493
Stock-based compensation expense	8,388	10,487
Provision for expected credit losses	863	1,075
Changes in operating assets and liabilities:		
Accounts receivable	(2,588)	(8,185)
Prepaid expenses	(4,960)	(4,235)
Deferred commissions	211	49
Accounts payable	(889)	495
Accrued and other liabilities	(4,601)	(4,922)
Deferred revenue	2,568	3,123
Net cash used in operating activities	(3,417)	(20,836)
Cash flows from investing activities:		
Purchase of property and equipment	(806)	(1,063)
Maturity of marketable securities	29,440	39,429
Purchase of marketable securities	(35,565)	(48,043)
Net cash used in investing activities	(6,931)	(9,677)
Cash flows from financing activities:		
Proceeds from exercise of stock options	974	0
Taxes paid related to net share settlement of stock options	(1,325)	(330)
Repayment of debt	(134)	0
Net cash used in financing activities	(485)	(330)
Net change in cash and cash equivalents and restricted cash	(10,833)	(30,843)
Cash and cash equivalents and restricted cash, beginning of period	72,845	93,030
Cash and cash equivalents and restricted cash, end of period	$ 62,012	$ 62,187
Supplemental cash flow information:		
Cash paid for interest	$ 439	$ 431
Cash paid for taxes	$ 140	$ 152

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

BigCommerce Holdings, Inc.

Notes to Condensed Consolidated Financial Statements

1. Overview

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

The Company empowers businesses to turn digital transformation into a competitive advantage, and allows merchants to build their ecommerce solution their way with the flexibility to fit their unique business and product offerings. The Company provides 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 of the Company’s stores run on a single code base and share a global, multi-tenant architecture purpose built for security, high performance, and innovation. The Company’s platform serves stores in a wide variety of sizes, product categories, and purchase types, including business-to-consumer and business-to-business.

References in these condensed 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 condensed unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information.

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 Securities and Exchange Commission (“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, 2023, which are included in the Company's Annual Report on Form 10-K, filed with the SEC on February 29, 2024. The results of operations for the three months ended March 31, 2024, are not necessarily indicative of the results to be expected for the year ending December 31, 2024, or for any other period.

Basis of consolidation

The accompanying condensed consolidated financial statements include the Company’s accounts and the accounts of the Company’s wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

The Company’s fiscal year ends on December 31. References to "fiscal 2024," for example, refer to the fiscal year ended December 31, 2024.

Use of estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions in the Company’s consolidated financial statements and notes thereto.

Significant estimates and assumptions made by management in these consolidated financial statements include:

- the allowance for credit losses;
- constrained revenue;
- variable consideration for revenue recognition;
- the period of benefit associated with costs capitalized to obtain revenue contracts;
- the useful lives of intangible assets; and
- the recognition, measurement and valuation of current and deferred income taxes and uncertain tax positions;

Because of the use of estimates inherent in financial reporting process actual results could differ and the differences could be material to the Company's consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

ASU 2023-07, Segment Reporting (Topic 280)

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. ASU 2023-07 requires all public entities, including those public entities that have a single reportable segment to disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the individual or the name of the group or committee identified as the chief operating decision maker ("CODM"). ASU 2023-07 is effective for the Company's fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently assessing the impact this standard will have on the Company's but does not expect it to have a material impact on the consolidated financial statements.

ASU 2023-09, Income Taxes (Topic 740)

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 requires all entities to provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this Update also eliminate requirements such as (1) the disclosure of the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months, (2) or making a statement that an estimate of the range cannot be made, and (3) the disclosure of the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures. Lastly, the amendments in this Update replace the term 'public entity' as currently used in Topic 740 with the term 'public business entity'. ASU 2023-09 is effective for the Company's fiscal years beginning after December 15, 2024. The Company is currently assessing the impact this standard will have on the Company but does not expect it to have a material impact on the consolidated financial statements.

Other accounting standard updates effective for interim and annual periods beginning after December 31, 2023 are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Segments

The Company's CODM is the chief executive officer. The Company's 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, the Company has determined that it operates as a single operating and reportable segment.

Revenue Recognition

Subscription solutions

Subscription solutions revenue consists primarily of platform subscription fees from all plans and recurring professional services. Subscription solutions are charged monthly, quarterly, or annually for the Company's customers to sell their products and process transactions on the Company's platform. Subscription solutions are generally charged per online store and are based on the store's subscription plan. Monthly subscription fees for enterprise plans are adjusted if a customer's gross merchandise volume ("GMV") or orders processed are above specified plan thresholds on a trailing twelve-month basis. For most subscription solutions arrangements, excluding enterprise subscription plans, the Company has determined the Company meets the variable consideration allocation exception and, therefore, recognizes 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. During the second quarter of fiscal 2023, the Company adopted a new pricing structure that provided a discount to the contractual price for customers who pay quarterly or annually. Prior to this date, enterprise subscription plans included an upfront promotional period in order to incentivize the customer to enter into a subscription arrangement. In both of these scenarios, the total subscription fee is recognized on a straight-line basis over the term of the contract. In determining the amount of revenue to be recognized, the Company determines whether collection of the entire 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.

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.). The Company provides 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). Services are performed and fees are determined based on monthly usage and are billed in arrears.

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

Partner and services

The Company's partner and services revenue includes revenue share, partner technology integrations, and marketing services provided to partners. Revenue share relates to fees earned by the Company's partners from customers using the Company's platform, where the Company has 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 and variable based on customer usage on the platform. 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.

The Company also derives revenue from the sales of website themes and applications upon delivery.

The Company recognizes partner revenue share on a net basis as the Company has determined that the Company is the agent in the Company's arrangements with third-party application providers. All other revenue is recognized on a gross basis, as the Company has determined the Company is 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.

The Company's subscription contracts are generally comprised of a single performance obligation to provide access to the Company's 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, the Company may be required to allocate the contract's transaction price to each performance obligation using the Company's 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. The primary method used to estimate SSP is the observable prices of products or services sold or priced separately in comparable circumstances to similar customers.

Contracts with the Company's 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 the Company considers various factors. These considerations include the level of integration, interdependency, and interrelation between the implementation and hosting services. The Company has concluded that the integration services included in contracts with hosting obligations are not distinct. As a result, the Company defers 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, the Company considers 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. For most of the Company's contracts, the Company has determined the variable consideration allocation exception has been met and therefore variable fees are recognized in the period they are earned.

The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables, contract assets, and deferred revenue.

Contract Assets

Billings scheduled to occur after the performance obligation has been satisfied and revenue recognition has occurred result in contract assets. Contract assets are recorded on the condensed consolidated balance sheets at the end of each reporting period in Prepaid expenses and other assets, net. Typically, contract assets arise from agreements that have tiered billings over the contract life, promotional billing periods, and partner and services revenue agreements that include substantive minimums. Net contract assets were $12.7 million as of March 31, 2024 as compared to $11.9 million as of December 31, 2023.

The Company is exposed to credit losses primarily through sales of products and services to customers and partners. The Company assesses the collectability of outstanding contract assets on an ongoing basis and maintain a reserve which is included in the allowance for credit losses for contract assets deemed uncollectible. The Company analyzes the contract asset portfolio for significant risks by considering historical collection experience and forecasting future collectability to determine what will ultimately be collected from its customers and partners, delinquency level and customer type have been identified as the primary specific risk affecting the Company’s contract assets, and the estimate for losses is analyzed annually and adjusted as necessary.The Company has provisioned $1.3 million and $1.5 million for credit losses related to contract assets as of March 31, 2024 and December 31, 2023, respectively.

Deferred revenue

Deferred revenue primarily consists of amounts that have been received from customers in advance of the performance obligation being satisfied. The Company recognizes revenue from deferred revenue when the services are performed and the corresponding revenue recognition criteria are met. Amounts recognized from deferred revenue represent primarily revenue from the sale of subscription solutions, integration, and marketing services. The Company recognized $15.9 million of previously deferred revenue during the three months ended March 31, 2024.

The Company experienced an increase in the deferred revenue balance as of March 31, 2024, compared to December 31, 2023, which was primarily driven by the Company's continued shift to annual billing cycles.

Remaining performance obligation

As of March 31, 2024, the Company had $171.8 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. Remaining performance obligation is subject to future economic risks, including bankruptcies, regulatory changes and other market factors. The Company expects to recognize approximately 60 percent of the remaining performance obligations as revenue in the following 12 month period, and the remaining balance in the periods thereafter.

Remaining performance obligation consisted of the following:

(in thousands)	Current	Noncurrent	Total
As of March 31, 2024	$ 105,486	$ 66,350	$ 171,836
As of March 31, 2023	87,172	67,872	155,044

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 infrastructure and platform; allocation of overhead costs and credit card processing; and amortization expense associated with capitalized internal-use software.

Accounts receivable

Accounts receivable are stated at net realizable value and include both billed and unbilled receivables. 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, 2024 and December 31, 2023 included unbilled receivables of $10.7 million, and $11.0 million, respectively.

The Company assesses the collectability of outstanding accounts receivable on an ongoing basis and maintains an allowance for credit losses for accounts receivable deemed uncollectible. The Company analyzes grouped customers by similar risk profiles, along with the invoiced accounts receivable portfolio and unbilled accounts receivable for significant risks, historical collection activity, and an estimate of future collectability to determine the amount that the Company will ultimately collect. This estimate is analyzed annually and adjusted as necessary.

Identified risks pertaining to the Company’s invoiced accounts receivable include the delinquency level and customer type. The estimate of the amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances, historical customer delinquency, and assessment of the overall portfolio and general economic conditions.

The allowance for credit losses consisted of the following:

(in thousands)		
Balance at December 31, 2023	$	5,997
Provision for expected credit losses		863
Write-offs charged against the allowance		(821)
Balance at March 31, 2024	$	6,039

Stock-based compensation

The Company issues stock options, restricted stock units (“RSUs”) and performance based restricted stock units (“PSUs”) to employees.

The Company values stock options using the Black-Scholes option-pricing model at the date of grant and recognizes the relates stock-based compensation expense on a straight-line basis over the service period, net of estimated forfeitures, which is typically four years.

The Company values RSUs at the closing market price on the date of grate. RSUs typically vest in equal installments over a four-year period, subject to continued service, and compensation expense is recognized straight-line over the requisite service period.

The Company grants PSUs which provide for shares of common stock to be earned based on the Company's total stockholder return compared to the Russell 2000 index, and referred to as market-based awards. The Company values these market-based awards on the grant date using the Monte Carlo simulation model. The determination of fair value is affected by the Company's stock price and a number of assumptions including the expected volatility and the risk-free interest rate. The Company assumes no dividend yield and recognizes stock-based compensation expense ratably from grant date over the performance period of the award. The market-based awards will cliff-vest at the end of the three-year period ranging from 0 percent to 200 percent of the target number of PSUs granted.

The Company also grants PSUs which provide for shares of common stock to be earned based on its attainment of the Company's adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and revenue relative to a target specified in the applicable agreement, and are referred to as Company performance-based awards. The Company values these awards at the closing market price on the date of grant. The vesting of Company performance-based awards is conditioned upon the achievement of certain targets and will vest in three annual tranches in a percentage of the target number of shares between 0% to 200%. The Company recognizes stock based compensation expense over the performance period, if it is probable that the performance condition will be achieved. Adjustments to stock based compensation expense are made, as needed, each reporting period based on changes in our estimate of the number of units that are probable of vesting.

3. Revenue recognition and deferred costs

Revenue recognition

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

Disaggregation of revenue

The following table disaggregates revenue by major source:

	Three months ended March 31,			
(in thousands)	2024		2023	
Subscription solutions	$	60,959	$	53,808
Partner and services		19,401		17,949
Revenue	$	80,360	$	71,757

Revenue by geographic region was as follows:

(in thousands)	Three months ended March 31, 2024	2023
Revenue:		
Americas – U.S.	$ 61,138	$ 54,809
Americas – other [1]	3,776	3,351
EMEA	9,192	7,983
APAC	6,254	5,614
Revenue	$ 80,360	$ 71,757

[1]Americas-other revenue includes revenue from North and South America, other than the U.S.

Revenue by geographical region is determined based on the region of the Company's contracting entity, which may be different than the region of the customer. Revenue attributed to the United States was 76 percent and EMEA was 11 percent during the three months ended March 31, 2024 and 2023. No single country, other than the United States, represented more than ten percent of total revenue during the three months ended March 31, 2024 and 2023.

Deferred commissions

Certain sales commissions earned by the Company's go-to-market teams are considered incremental and recoverable costs of obtaining a contract with a customer. The Company amortizes deferred sales commissions ratably over the average customer life which is three years. The Company includes amortization of deferred commissions in sales and marketing expense in the condensed consolidated statements of operations. The Company periodically reviews 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. The Company did not recognize an impairment of deferred commissions during the three months ended March 31, 2024 and the year ended December 31, 2023.

Sales commissions of $2.1 million and $1.7 million were deferred for the three months ended March 31, 2024 and 2023, respectively; deferred commission amortization expense was $2.3 million and $1.6 million for the three months ended March 31, 2024 and 2023, respectively.

4. Fair value measurements

Financial instruments carried at fair value include cash and cash equivalents, restricted cash and marketable securities.

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, the Company considers 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 the Company's data.

The following table presents information about the Company's cash equivalents, marketable securities and liabilities that were measured at fair value as of March 31, 2024 and December 31, 2023:

(in thousands)	As of March 31, 2024 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash equivalents [1]:				
Money market mutual funds & cash equivalents	$ 33,727	$ 0	$ 0	$ 33,727
Marketable securities:				
Corporate bonds	0	75,318	0	75,318
U.S. treasury securities	56,251	0	0	56,251
Commercial paper	0	28,004	0	28,004
Agency bonds	0	44,708	0	44,708
Total marketable securities	$ 56,251	$ 148,030	$ 0	$ 204,281
Liabilities:				
Convertible senior notes due 2026	$ 0	$ 288,938	$ 0	$ 288,938

(in thousands)	As of December 31, 2023 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash equivalents [1]:				
Money market mutual funds & cash equivalents	$ 39,754	$ 0	$ 0	$ 39,754
Marketable securities:				
Corporate bonds	0	64,545	0	64,545
U.S. treasury securities	48,138	0	0	48,138
Commercial paper	0	30,596	0	30,596
Agency bonds	0	55,136	0	55,136
Total marketable securities	$ 48,138	$ 150,277	$ 0	$ 198,415
Liabilities:				
Convertible senior notes due 2026	$ 0	$ 280,658	$ 0	$ 280,658

[1] Included in “Cash and cash equivalents” in the accompanying Condensed Consolidated Balance Sheets, in addition to $28.3 million, and $33.1 million of cash, as of March 31, 2024 and December 31, 2023, respectively.

The contractual maturities of the investments classified as marketable securities were as follows:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Due within 1 year	$ 165,733	$ 183,132
Due in 1 year through 2 years	38,548	15,283
Total marketable securities	$ 204,281	$ 198,415

The following tables summarize the gains, losses, and estimated fair value of cash equivalents, marketable securities and liabilities as of March 31, 2024 and December 31, 2023:

	As of March 31, 2024			
(in thousands)	Amortized Cost/ Principal amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market mutual funds & cash equivalents	$ 33,727	$ 0	$ 0	$ 33,727
Marketable securities:				
Corporate bonds	75,294	50	(26)	75,318
U.S. treasury securities	56,312	9	(70)	56,251
Commercial paper	28,005	5	(6)	28,004
Agency bonds	44,767	3	(62)	44,708
Total marketable securities	$ 204,378	$ 67	$ (164)	$ 204,281
Liabilities:				
Convertible senior notes due 2026	$ 345,000	$ 0	$ 0	$ 288,938

	As of December 31, 2023			
(in thousands)	Amortized Cost/ Principal amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market mutual funds & cash equivalents	$ 39,754	$ 0	$ 0	$ 39,754
Marketable securities:				
Corporate bonds	64,421	157	(33)	64,545
U.S. treasury securities	48,061	86	(9)	48,138
Commercial paper	30,588	16	(8)	30,596
Agency bonds	55,182	24	(70)	55,136
Total marketable securities	$ 198,252	$ 283	$ (120)	$ 198,415
Liabilities:				
Convertible senior notes due 2026	$ 345,000	$ 0	$ 0	$ 280,658

5. Business combinations

Acquisition of Makeswift

In October 2023, the Company acquired all issued and outstanding stock of Makeswift, Inc. (“Makeswift”) pursuant to a merger agreement. Makeswift is a leading visual editor for Next.js websites. The total purchase consideration for Makeswift was approximately $9.2 million which consisted of the following:

(in thousands)	Amount
Base purchase price	$ 11,000
plus: Closing cash	238
minus: Deferred compensation	(2,000)
Total purchase consideration[1]	$ 9,238

[1] Of the total purchase consideration, $1.1 million of cash was held back by the Company for potential breaches of representation and warranties, as well as adjustments to working capital. Subsequent to March 31, 2024, the Company dispersed working capital hold back of $0.1 million.

The table below summarizes the estimated fair value of the assets acquired and liabilities assumed in the Makeswift acquisition, at acquisition date:

(in thousands)	October 31, 2023
Tangible assets acquired	$ 1,370
Right-of-use asset	147
Intangible assets acquired	7,890
Liabilities assumed	(1,311)
Deferred tax liability	(1,045)
Lease liability	(150)
Net assets acquired, excluding goodwill	$ 6,901
Total purchase consideration	$ 9,238
Goodwill	$ 2,337

As of March 31, 2024, the purchase price allocation is not finalized as the Company has not yet filed the Makeswift tax return for the period ended October 31, 2023. Once this return is filed in fiscal 2024, the Company will update the estimated fair value liabilities assumed in the acquisition.

The fair value of identifiable intangible assets acquired at the date of the acquisitions is as follows:

(in thousands)	Fair value	Useful life (in years)
Developed technology	$ 6,600	5.0
Customer relationships	1,200	3.0
Tradename	90	5.0
Total acquisition-related intangible assets	$ 7,890	

The $2.3 million goodwill balance is primarily attributable to synergies and expanded market opportunities that are expected to be achieved from the integration of Makeswift with the Company's offerings and assembled workforce. The goodwill balance is not deductible for income taxes purposes.

As part of the Makeswift merger agreement, $2.0 million of the purchase consideration is subject to clawback if any of the key Makeswift employees voluntarily terminate their employment within 18 months after the closing date of the transaction. The $2.0 million is accounted for as compensation expense and therefore not included in the purchase consideration. The related compensation is recognized as post-combination expense over the 18 month service period on a straight-line basis. The Company incurred $0.3 million of compensation costs during the three months ended March 31, 2024. The Company has $1.3 million of unvested amounts of cash retention payments recorded in prepaid expenses and other current assets and other assets on the condensed consolidated balance sheet as of March 31, 2024.

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, 2024.

Intangible assets are amortized on a straight-line basis over the useful life. Intangible assets amortization was $2.5 million and $2.0 million for the three months ended March 31, 2024 and 2023, respectively.

Intangible assets consists of the following:

(in thousands)	March 31, 2024 Gross amount	March 31, 2024 Accumulated amortization	March 31, 2024 Net carrying amount	December 31, 2023 Gross amount	December 31, 2023 Accumulated amortization	December 31, 2023 Net carrying amount	Weighted average remaining useful life as of March 31, 2024 (in years)
Developed technology	$ 19,967	$ (9,591)	$ 10,376	$ 19,967	$ (8,401)	$ 11,566	3.2
Customer relationship	23,725	(10,882)	12,843	23,725	(9,786)	13,939	3.1
Tradename	2,560	(1,336)	1,224	2,560	(1,208)	1,352	2.5
Non-compete agreement	162	(145)	17	162	(132)	30	0.3
Other intangibles	485	(361)	124	485	(320)	165	1.6
Total intangible assets	$ 46,899	$ (22,315)	$ 24,584	$ 46,899	$ (19,847)	$ 27,052	

As of March 31, 2024, expected amortization expense for intangible assets was as follows:

(in thousands)	March 31, 2024
Remaining nine months of 2024	$ 7,267
2025	8,046
2026	5,100
2027	3,056
2028	1,115
Thereafter	0
Total	$ 24,584

7. Commitments, contingencies, and leases

Legal Proceedings

From time to time, the Company may become involved in legal proceedings arising in the ordinary course of its business. In general, the resolution of a legal matter could prevent the Company from offering its service to others, could be material to the Company's financial condition or cash flows, or both, or could otherwise adversely affect the Company's reputation and future operating results.

In the ordinary course of business, the Company makes a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. The outcomes of legal proceedings and other contingencies are, however, inherently unpredictable and subject to significant uncertainties. The Company is not presently a party to any legal proceedings that, if determined adversely to the Company, would have a material adverse effect on the Company's condensed consolidated financial statements.

Purchase Obligations

The Company has contractual commitments for services with third-parties related to hosting and internal software systems. These commitments are non-cancellable and expire within one to three years. The Company had unconditional purchase obligations as of March 31, 2024 as follows:

(in thousands)	March 31, 2024
Remaining nine months of 2024	$ 8,489
2025	16,152
2026	4,976
2027 and thereafter	0
Total	$ 29,617

Leases

The Company leases certain facilities under operating lease agreements that expire at various dates through 2028. Some of these arrangements contain renewal options and require the Company to pay taxes, insurance and maintenance costs. Renewal options were not included in the right-of-use asset and lease liability calculation. As of March 31, 2024, there were no finance leases.

Operating expense relating to leases was $0.8 million and $0.9 million for the three months ended March 31, 2024 and 2023, respectively.

The future maturities of operating lease liabilities are as follows:

(in thousands)	As of March 31, 2024
Remaining nine months of 2024	$ 2,225
2025	2,838
2026	2,555
2027	2,133
2028	718
Thereafter	0
Total minimum lease payments	$ 10,469
Less imputed interest	(978)
Total lease liabilities	$ 9,491

Restructuring charges

The Company recognizes employee severance costs when payments are probable and amounts are estimable or when notification occurs, depending on whether the severance costs paid are part of the Company's general plan. Facilities costs related to contracts without future benefit or contract termination are recognized at the earlier of the contract termination or the cease-use dates. Other exit-related costs are recognized as incurred.

In September 2023, the Company commenced a restructuring plan (the "2023 Restructure") which includes a reduction of the Company's workforce that is intended to advance the Company's ongoing commitment to profitable growth. The actions associated with the employee restructuring under the 2023 Restructure are expected to be complete by the end of the Company's fiscal 2024, subject to employee jurisdictions.

The Company recorded approximately $5.5 million in expenses in connection with the 2023 Restructure in fiscal 2023, which consists of charges related to severance payments, employee benefits, and professional service and legal fees. These charges were recorded within the operating expenses on the accompanying consolidated statement of operations. The Company does not expect any more material charges under this plan.

The following table summarizes the activities related to the 2023 Restructure as of March 31, 2024:

(in thousands)	Workforce reduction
Liability, as of December 31, 2023	$ 1,516
Payments	(1,173)
Liability, as of March 31, 2024	$ 343

8. Other liabilities

The following table summarizes the components of other current liabilities:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Sales tax payable	$ 2,115	$ 1,632
Payroll and payroll related expenses	8,480	13,080
Acquisition related compensation	286	403
Restructuring related charges	343	1,516
Other	8,606	8,154
Other current liabilities	$ 19,830	$ 24,785

9. Debt

2021 Convertible Senior Notes

In September 2021, the Company issued $345.0 million aggregate principal amount of 0.25 percent 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 the Company's senior, unsecured obligations and accrue interest at a rate of 0.25 percent 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 percent) 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 percent) 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 the Company calls 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. As of March 31, 2024 and December 31, 2023, no conditions for the notes to convert have been called or met.

The Company will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election. The initial conversion rate for the Notes is 13.68 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.

The Company 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 the Company's 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 the Company's common stock exceeds 130 percent 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 the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends 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), the company 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 the Company sends 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 the Company 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, the Company recorded the Notes as a liability at face value. The effective interest rate for the Notes was 0.84 percent. 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 Company's debt consists of the following:

(in thousands)	Date of Issuance	Maturity Date	Contractual Interest Rate	Outstanding Principal as of March 31, 2024	Carrying Value as of March 31, 2024	Carrying Value as of December 31, 2023
2021 Convertible Senior Notes	September 2021	10/1/2026	0.25 %	$ 345,000	$ 339,970	$ 339,473
2023 Term Debt	June 2023	3/1/2025	4.40 %	553	553	688
Total carrying value of debt					340,523	340,161
Less: current portion of debt					(553)	(547)
Total long-term portion of debt					$ 339,970	$ 339,614

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The total interest expense recognized related to the Company's debt consists of the following:

	Three months ended March 31,	
(in thousands)	2024	2023
Contractual interest expense	$ 223	$ 216
Amortization of issuance costs	497	493
Total	$ 720	$ 709

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, the Company 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 the Company’s common stock upon any conversion of the Notes and/or offset any cash payments the Company is 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 the Company’s 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 percent over the last reported sale prices of the Company’s 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 the Company’s 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 the Company’s common stock. The premiums paid for the Capped Call Transaction have been included as a net reduction to additional paid-in capital within stockholders’ equity.

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10. Stockholders' equity

2020 Equity incentive plan

In 2020, the Company adopted the 2020 Equity Incentive Plan, or "2020 Plan", under which stock options, stock appreciation rights, restricted stock, restricted stock units, performance-based restricted stock units and other cash-based or stock-based awards may be granted to employees, consultants and directors. Shares of common stock that are issued and available for issuance under the 2020 Plan consist of authorized, but unissued or reacquired shares of common stock or any combination thereof. The Company has granted awards of stock options, restricted stock units, and market-based and performance-based restricted stock units under the 2020 Plan.

A total of 3,873,885 shares of common stock were initially authorized and reserved for issuance under the 2020 Plan. This share reserve automatically increased on January 1, 2021, 2022, and 2023 and will increase on each subsequent January 1st through and including January 1, 2031, by an amount equal to the smaller of (a) 5% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 and (b) an amount determined by the board of directors. On January 1, 2024, 2023 and January 1, 2022 the share reserve increased by 3,820,681 shares, 3,695,569 shares and 3,616,312 shares, respectively. As of March 31, 2024, a total of 1,096,370 registered shares of common stock remained available for future issuance under the 2020 Plan.

Subsequent to March 31, 2024, the Company registered an additional 9,548,587 shares on Form S-8.

Stock Options

Stock options generally vest and become exercisable over a service period of 4 years from the date of grant, subject to continued service. The following table summarizes the weighted-average grant date value of options and the assumptions used to develop their fair value.

	Three months ended March 31, 2024	Year ended December 31, 2023
Weighted-average grant date fair value of options	$ 4.54	$ 6.55
Risk-free interest rate	4.10 %	3.65% - 4.30%
Expected volatility	64.53 %	65.02% - 66.56%
Expected life in years	6.10 years	6.06 - 6.11 years

The Company estimated its future stock price volatility using a combination of its observed option-implied volatilities and its peer historical volatility calculations. Management believes this is the best estimate of the expected volatility over the expected life of its stock options. The estimated life for the stock options is based on the weighted average of the remaining vesting term and the remaining contractual life of each award. The risk-free interest rate is based on the rate for a U.S. government security with the same estimated life at the time of the option grant. The estimated forfeiture rate applied is based on historical forfeiture rates. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore uses an expected dividend yield of zero in the option pricing model.

Stock option activity for the three months ended March 31, 2024 was as follows:

(in thousands)	Outstanding	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Balance as of December 31, 2023	5,109	$ 9.54	$ 20,571
Options granted under all plans	662	7.25	0
Exercised	(308)	3.16	1,506
Plan shares expired or canceled	(533)	15.39	6
Balance as of March 31, 2024	4,930	$ 9.00	$ 11,068
Vested and expected to vest	4,694	$ 8.93	$ 11,068
Exercisable as of March 31, 2024	3,505	$ 7.73	$ 11,068

The expected stock-based compensation expense remaining to be recognized as of March 31, 2024 is $8.6 million, which reflects outstanding stock option awards that are vested and outstanding stock option awards that are expected to vest. This expense will be recognized over a weighted-average period of 2.76 years.

Restricted Stock Units

Restricted stock unit activity for the three months ended March 31, 2024 was as follows:

(in thousands)	Outstanding	Grant Date Fair Value	Aggregate Intrinsic Value
Balance as of December 31, 2023	6,725	$ 15.86	$ 65,436
Granted – restricted stock units	854	7.25	6,189
Granted – market-based and performance-based restricted stock units	400	8.91	2,901
Canceled	(682)	13.67	4,855
Vested and converted to shares	(689)	$ 19.62	$ 5,154
Balance as of March 31, 2024	6,608	$ 14.16	$ 45,415
Vested and expected to vest	5,310	$ 14.63	$ 36,474

The grant date fair value of the market-based awards was $10.01. Significant assumptions used in the Monte Carlo simulation model for the market-based awards granted are as follows:

	Three months ended March 31, 2024
Volatility	75.43 %
Risk-free interest rate	4.31 %
Dividend yield	0.00 %

As of March 31, 2024, no market-based or performance-based restricted stock units have been canceled or vested. Stock compensation expense recognized for the market-based and performance-based awards was not material for the three months ended March 31, 2024.

The aggregate expected stock-based compensation expense remaining to be recognized as of March 31, 2024 is $63.6 million related to RSUs, which reflects outstanding stock awards that are vested and outstanding stock awards that are expected to vest. This expense will be recognized over a weighted-average period of 2.46 years.

11. Income taxes

The income tax expense for the three months ended March 31, 2024 is based on the estimated annual effective tax rate for fiscal 2024. The Company's 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.

The Company's provision for income taxes reflected an effective tax rate of (4.75) percent and (0.90) percent for the three months ended March 31, 2024 and 2023, respectively.

For the three months ended March 31, 2024 and 2023, the Company's effective tax rate was lower than the U.S. federal statutory rate of 21 percent primarily due to the Company's valuation allowance offsetting the benefits of losses. The Company's current income tax expenses and benefits consist primarily of state current income tax expense, deferred income tax expense relating to the tax amortization of acquired goodwill and current income tax expense from foreign operations.

The Company has provided a valuation allowance against most of the Company's deferred tax assets as it believes the objective and verifiable evidence of the Company's historical pretax net losses outweighs any positive evidence of forecasted future results. The Company 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, 2024, the Company had approximately $0.4 million in uncertain tax positions representing no increase from the balance on December 31, 2023. Operating losses generated in years prior to 2019 remain open to adjustment until the statute of limitations closes for the tax year in which the net operating losses are utilized. Tax years 2019 through 2021 generally remain open to examination by the major taxing jurisdictions to which the Company is subject. The Company is currently not under audit by any taxing jurisdiction.

12. Net loss per share

Basic net loss per share is computed by dividing net loss by the number of shares of common stock outstanding for the period. Because the Company has reported a net loss for the three months ended March 31, 2024, and 2023, the number of shares used to calculate diluted net loss per share is the same as the number of shares used to calculate basic net loss per share for the period presented because the potentially dilutive shares would have been antidilutive if included in the calculation.

	Three months ended March 31,	
(in thousands)	2024	2023
Numerator:		
Net loss per share available to shareholders	$ (6,392)	$ (22,120)
Denominator:		
Weighted average shares outstanding	76,626	74,142
Net loss per share	$ (0.08)	$ (0.30)

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

	As of March 31,	
(in thousands)	2024	2023
Stock options outstanding	4,930	6,008
Restricted stock units	6,608	6,784
Acquisition related compensation	42	3,558
Convertible debt	4,719	4,719
Total potentially dilutive securities	16,299	21,069

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 of 1993, as amended ("the Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (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 or refinancing;
- 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
- our ability to remediate the material weakness; 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, 2023, filed on February 29, 2024 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 condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical condensed 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."

Investors and others should note that we announce material financial information to our investors using our investor relations website (investors.bigcommerce.com), SEC filings, press releases, public conference calls and webcasts. We intend to use our investor relations website as a means of disclosing information about our business, our financial condition and results of operations and other matters and for complying with our disclosure obligations under Regulation FD. The information we post on our investor relations website, including information contained in investor presentations, may be deemed material. Accordingly, investors should monitor our investor relations website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

Overview

BigCommerce is leading a new era of ecommerce. Our SaaS platform simplifies the creation of 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 point of sale 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, 2024 we served 5,970 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.

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 of 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.

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 subscription price tailored to each business. For SMBs, we offer three retail plans: Standard, Plus, and Pro, priced at $29, $79, and $299 per month (our "Essentials" plans) when pre-paid annually, or $39, $105, and $399 per month (our "Essentials plans"), 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, point of sale, content management system, customer relationship management, and enterprise resource planning. 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.

Our business has achieved significant growth since our inception. We plan to continue to invest in our "Open SaaS" strategy, building new partnerships and continuing to develop a platform that offers best-of-breed functionality with the cost-effectiveness of multi-tenant SaaS. As we work to develop and deliver this platform for our customers, we will also invest and grow our business by acquiring additional customers to our platform, growing our revenue with existing customers, cross-selling owned and partner solutions to existing customers, expanding our presence in new markets and geographies, and considering targeted acquisitions that can enhance our service to customers.

Key factors affecting our performance

Our operational and financial results have been, and will continue to be, affected by a number of factors that present significant opportunities as well as risks and challenges, including those discussed below and elsewhere in this quarterly report and in our Annual Report on Form 10-K, particularly in Part I, Item 1A, "Risk Factors." The key factors discussed below impacted our 2023 results or are anticipated to impact our future results.

"Go-to-Market" Strategy

BigCommerce was originally founded to serve the needs of small business customers. We have radically improved our product and service capabilities on behalf of the complex needs of midmarket and enterprise businesses, and we have successfully moved our customer base up-market as a result. We plan to continue our focus on enterprise businesses and we describe examples of advancements taken by us below.

We reorganized our business teams and leadership structure to introduce clear and unified end to end ownership of the customer. Sales, customer success, marketing, and our business development teams have congruent and clear targets that unify their efforts around customer success and growth. In the fourth quarter of 2023 we centralized end to end customer success ownership under our Company President. Our Company President now oversees all go-to-market efforts across the business, including the platform product, Feedonomics, and partner and services revenue.

New customer acquisition remains a priority, but it is now balanced with a strong focus on customer retention, satisfaction, and growth. This advancement includes a greater focus on portfolio cross-sell of Feedonomics and partner solutions.

We made a commitment to drive revenue growth and we are beginning to see progress in the first quarter since initiating many of the advancements discussed above. First quarter of fiscal 2024 net retention rates improved versus the prior quarter, and we continue to focus on customer success and growth.

Macroeconomic environment and customer spend

Consumer spending remains resilient across our major markets, though aggregate ecommerce is growing at lower rates than during the pandemic. We are encouraged overall by the underlying consumption signals that we are seeing in our business.

As described above, we are making progress in our go to market transformation. We continue to see longer sales cycle times relative to the pandemic and elevated scrutiny on platform investment spending. We believe sales cycle times and platform investment spending will improve, and we are transforming our go-to-market capabilities to capitalize on that improvement.

Business metrics

We review the following business metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our business metrics may not correspond with increases or decreases in our revenue. As an example, some of our business metrics include annual revenue run-rate ("ARR"), subscription annual revenue run-rate ("Subscription ARR") , average revenue per account, lifetime value ("LTV") to customer acquisition costs ("CAC") and others are calculated as of the end of the last month of the reporting period.

Annual revenue run-rate

We calculate 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 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, 2024, includes all subscription solutions and professional services billed between January 1, 2024, and March 31, 2024. 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 lines of business, we calculate ARR attributable to Enterprise Accounts.

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

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
ARR *(in thousands)*	$ 340,147	$ 336,541	$ 332,245	$ 331,103	$ 316,688
Subscription ARR *(in thousands)*	$ 258,566	$ 256,412	$ 256,518	$ 255,552	$ 243,527
Enterprise Account metrics:					
Number of Enterprise Accounts	5,970	5,994	5,951	5,929	5,828
ARR attributable to Enterprise Accounts *(in thousands)*	$ 248,236	$ 245,100	$ 240,602	$ 236,386	$ 228,805
ARR attributable to Enterprise Accounts as a percentage of ARR	73	73	72	71	72
ARPA	$ 41,581	$ 40,981	$ 40,431	$ 39,870	$ 39,260

Lifetime value to customer acquisition costs

We measure the efficiency of new customer acquisition by comparing the lifetime value of newly-acquired customers to the customer acquisition costs of the associated time period to get an "LTV:CAC ratio." We calculate LTV as gross profit from new sales during the four quarters of any given year divided by the estimated future subscription churn rate.

Net revenue retention

We use net revenue retention ("NRR") to evaluate our ability to maintain and expand our revenue with our account base of enterprise 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 percent 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 100 percent and 111 percent for the years ended December 31, 2023 and 2022, 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 plans and recurring professional services. 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 12 to 36 months and are non-cancelable. In the first half of 2023, we implemented a new pricing strategy that provided enterprise merchants a discount for a period of time from their contractual monthly fee. Prior to this new strategy, certain enterprise agreements contain promotional periods. Under both models, merchants have full access to the functionality of our platform upon contract execution, and revenue is recognized ratably over the contract life. Our retail plans are generally month-to-month contracts. Monthly subscription fees for 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.

Through Feedonomics, we provide 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 and associated payroll costs) for our customer success teams, (2) costs that are directly related to hosting and maintaining our platform, (3) fees for processing customer payments such as credit card processing charges, (4) personnel and other costs related to feed management, and (5) allocated costs, such as, depreciation, technology and facility 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.

As a result of our growth plans and integration of our previously acquired businesses, we have incurred expenses for equity and amortization of purchased intangibles.

Sales and marketing

Sales and marketing expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense and associated payroll costs), (2) sales commissions, (3) marketing programs, (4) travel-related expenses, and (5) allocated overhead sales and support costs such as technology and facility 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 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. 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 and associated payroll costs) incurred in maintaining and developing enhancements to our ecommerce platform and allocated overhead costs. Software development costs associated with internal use software which are incurred during the application development phase and meet other requirements are capitalized.

We believe delivering new functionality is critical to attracting new customers and enhancing the success of existing customers. We expect to continue to make 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.

General and administrative

General and administrative expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense and associated payroll costs) for finance, legal and compliance, and human resources, (2) external professional services, and (3) allocated overhead costs, such as technology and facility costs. We expect our general and administrative expenses to increase in absolute dollars but will decrease as a percent of revenue.

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

Interest income

Interest income is earned on our cash, cash equivalents and marketable securities.

Interest expense

Interest expense consists primarily of the interest expense from the amortization of the debt issuance costs and coupon interest attributable to our convertible note issued in 2021, as well as interest associated with a financing agreement entered into in the first half of 2023.

Other income (expense)

Other income (expense) primarily consists of loss from share issuance related to the Bundle acquisition and foreign currency translation adjustments.

Provision for income taxes

Our 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 summarizes our historical consolidated statement of operations data. The period-to-period comparison of operating results is not necessarily indicative of results for future periods.

	For the three months ended March 31,	
	2024	2023
Revenue	$ 80,360	$ 71,757
Cost of revenue [1]	18,439	17,446
Gross profit	61,921	54,311
Operating expenses: [1]		
Sales and marketing	32,432	34,052
Research and development	19,988	20,845
General and administrative	14,929	16,494
Acquisition related expenses	333	4,125
Restructuring charges	0	420
Amortization of intangible assets	2,467	2,033
Total operating expenses	70,149	77,969
Loss from operations	(8,228)	(23,658)
Interest income	3,178	2,426
Interest expense	(720)	(722)
Other income (expense)	(332)	31
Loss before provision for income taxes	(6,102)	(21,923)
Provision for income taxes	(290)	(197)
Net loss	$ (6,392)	$ (22,120)

[(1)] Amounts include stock-based compensation expense and associated payroll tax costs, as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	(in thousands)	
Cost of revenue	$ 656	$ 1,189
Sales and marketing	1,867	2,867
Research and development	3,476	3,503
General and administrative	2,592	3,079

Revenue by geographic region

The composition of our revenue by geographic region during the three months ended March 31, 2024 and March 31, 2023 were as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023	Change Amount	Change Percent
	(dollars in thousands)			
Revenue				
Americas – U.S.	$ 61,138	$ 54,809	$ 6,329	11.5 %
Americas – other [(1)]	3,776	3,351	425	12.7
EMEA	9,192	7,983	1,209	15.1
APAC	6,254	5,614	640	11.4
Total Revenue	$ 80,360	$ 71,757	$ 8,603	12.0 %

[(1)]Americas-other revenue includes revenue from North and South America, other than the U.S.

Comparison of the three months ended March 31, 2024 and March 31, 2023

Revenue

The following table presents the components of our revenue for each of the periods indicated:

	Three months ended March 31, 2024	Three months ended March 31, 2023	Change Amount	Change Percent
	(dollars in thousands)			
Revenue				
Subscription solutions	$ 60,959	$ 53,808	$ 7,151	13.3 %
Partner and services	19,401	17,949	1,452	8.1
Total revenue	$ 80,360	$ 71,757	$ 8,603	12.0 %

Total revenue increased $8.6 million, or 12.0 percent, to $80.4 million for the three months ended March 31, 2024, from $71.8 million for the three months ended March 31, 2023, as a result of increases in both subscription solutions and partner and services revenue. Subscription solutions revenue increased $7.2 million, or 13.3 percent, to $61.0 million for the three months ended March 31, 2024, from $53.8 million for the three months ended March 31, 2023, primarily due to increases in enterprise, mid-market, and Feedonomics activity. Partner and services revenue increased $1.5 million, or 8.1 percent, to $19.4 million for the three months ended March 31, 2024, from $17.9 million for the three months ended March 31, 2023, primarily as a result of increases in revenue share activity offset by decreases in stand ready and integration activity.

Cost of revenue, gross profit, and gross margin

	Three months ended March 31, 2024	Three months ended March 31, 2023	Change Amount	Change Percent
	(dollars in thousands)			
Cost of revenue	$ 18,439	$ 17,446	$ 993	5.7 %
Gross profit	61,921	54,311	7,610	14.0
Gross margin percentage	77.1	75.7		

Cost of revenue increased $1.0 million, or 5.7 percent, to $18.4 million for the three months ended March 31, 2024, from $17.4 million for the three months ended March 31, 2023, primarily as a result of higher software costs and processing fees of $1.1 million and decreased spend of $0.3 million in salaries and shared-based compensation driven by decreases in headcount from the 2023 Restructure. Gross margin increased to 77.1 percent from 75.7 percent, primarily as a result of cost cutting measures from the 2023 Restructure.

Operating income (expenses)

Sales and marketing

	Three months ended March 31,		Change	
	2024	2023	Amount	Percent
		(dollars in thousands)		
Sales and marketing	$ 32,432	$ 34,052	$ (1,620)	(4.8) %
Percentage of revenue	40.4 %	47.5 %		

Sales and marketing expenses decreased $1.6 million, or (4.8) percent, to $32.4 million for the three months ended March 31, 2024 from $34.1 million for the three months ended March 31, 2023, primarily due to decreased salaries of $1.8 million and share-based compensation driven by cost cutting measures from the 2023 Restructure. As a percentage of total revenue, sales and marketing expenses decreased to 40.4 percent from 47.5 percent, primarily as a result of cost cutting measures from the 2023 Restructure.

Research and development

	Three months ended March 31,		Change	
	2024	2023	Amount	Percent
		(dollars in thousands)		
Research and development	$ 19,988	$ 20,845	$ (857)	(4.1) %
Percentage of revenue	24.9	29.0		

Research and development decreased $0.9 million, or (4.1) percent, to $20.0 million for the three months ended March 31, 2024 from $20.8 million for the three months ended March 31, 2023, due to the cost cutting measures from the 2023 Restructure. As a percentage of total revenue, research and development expenses decreased to 24.9 percent from 29.0 percent, primarily as a result of cost cutting measures from the 2023 Restructure.

General and administrative

	Three months ended March 31,		Change	
	2024	2023	Amount	Percent
		(dollars in thousands)		
General and administrative	$ 14,929	$ 16,494	$ (1,565)	(9.5) %
Percentage of revenue	18.6	23.0		

General and administrative expenses decreased $1.6 million, or (9.5)% percent , to $14.9 million for the three months ended March 31, 2024 from $16.5 million for the three months ended March 31, 2023, primarily due to decreased bad debt expense of $0.3 million due to focus on collection efforts, decreased spend of $0.7 million in salaries and share-based compensation driven by cost cutting measures from the 2023 Restructure, and decreased insurance expense of $0.4 million as a result of improved renewal rates. As a percentage of total revenue, general and administrative expenses decreased to 18.6 percent from 23.0 percent, primarily as a result of cost cutting measures from the 2023 Restructure.

Acquisition related expenses

Acquisition related expense decreased $3.8 million, or (91.9) percent, to $0.3 million for the three months ended March 31, 2024, from $4.1 million for the three months ended March 31, 2023. Acquisition costs related to Feedonomics were recognized through Q3 2023, which was the second anniversary date of the acquisition. The remaining acquisition expenses are recognized on other transactions that occurred, while the prior years balance included costs related to the Feedonomics acquisition.

Restructuring charges

Restructuring charges were $0.0 million for the three months ended March 31, 2024, and $0.4 million for the three months ended March 31, 2023.

Interest income

Interest income increased $0.8 million, or 31.0 percent, to $3.2 million for the three months ended March 31, 2024, from $2.4 million for the three months ended March 31, 2023. This increase was primarily a result of investment income reinvested at higher interest rates for our cash, cash equivalents and marketable securities.

Interest expense

Interest expense was $0.7 million and $0.7 million for the three months ended March 31, 2024 and 2023, respectively, and was related to our outstanding debt.

Liquidity and capital resources

We are committed to healthy cash flow generation and cash management, and continue to evaluate all of our spending to look for opportunities to drive improvements in cash flow. Our improvements in internal systems and controls, together with discipline around accounts receivable and collections has led to improvements in working capital and accounts receivable.

Our operational short-term liquidity needs primarily include working capital for sales and marketing, research and development, and continued innovation. 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, the continued impact of the inflation on the global economy, 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 the future, we will continue to work with our customer base to move billings from monthly to annually in efforts to better manage cash flow and reduce churn. Additionally, we may attempt to restructure our debt financing. 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,	
	2024	2023
	(in thousands)	
Net cash used in operating activities	$ (3,417)	$ (20,836)
Net cash used in investing activities	(6,931)	(9,677)
Net cash used in financing activities	(485)	(330)
Net decrease in cash, cash equivalents and restricted cash	$ (10,833)	$ (30,843)

As of March 31, 2024, we had $62.0 million in cash, cash equivalents, and restricted cash, an increase of $0.2 million compared to $62.2 million as of March 31, 2023. 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 $1.1 million at March 31, 2024 and 2023 respectively, consists of security deposits for future chargebacks and amounts on deposit with certain financial institutions. Our marketable securities balance of $204.3 million and $221.3 million at March 31, 2024 and 2023 respectively, consists of investments in corporate and US treasury securities . We maintain cash account balances in excess of Federal Deposit Insurance Corporation (FDIC) insured limits.

Operating activities

Net cash used in operating activities for the three months ended March 31, 2024 and 2023 was $3.4 million and $20.8 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, 2024 and 2023 was $6.9 million and ($9.7) million, respectively. In the three months ended March 31, 2024, this consists primarily of the sale and maturity of marketable securities of $29.4 million offset by the purchase of property and equipment of $0.8 million and the purchase of marketable securities of $35.5 million. 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.

Financing activities

Net cash used in financing activities during the three months ended March 31, 2024 and 2023 was $0.5 million and $0.3 million, respectively. In the three months ended March 31, 2024, this was attributable to proceeds from exercise of stock options of $0.1 million offset by withholdings from the issuance of shares of common stock pursuant to the exercise of stock options and vesting of restricted stock units of $1.3 million and repayments of debt of $0.1 million. 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

Indebtedness

2021 Convertible senior notes

In September 2021, we issued $345.0 million principal amount of 0.25 percent Convertible Senior Notes due 2026 (the “Notes”). The 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 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 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 Notes accrue interest at a rate of 0.25 percent 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 repurchased, redeemed or converted. Before July 1, 2026, noteholders have the right to convert their Notes only upon the occurrence of certain 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 was 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 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 Notes at our option at any time before October 7, 2024. The 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 percent 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, to, but excluding, the redemption date. In addition, calling any Note for redemption will constitute a Make-Whole Fundamental Change with respect to that Note, in which case the conversion rate applicable to the conversion of that 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 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 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 Notes at a cash repurchase price equal to the principal amount of the 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 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 Notes (which, in the case of a default in the payment of interest on the Notes, will be subject to a 30-day cure period); (ii) our failure to send certain notices under the Notes Indenture within specified periods of time; (iii) our failure to comply with certain covenants in the 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 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 $65.0 million; 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 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 percent of the aggregate principal amount of 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 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 Notes Indenture consists exclusively of the right of the noteholders to receive special interest on the Notes for up to 180 days at a specified rate per annum not exceeding 0.50 percent on the principal amount of the Notes.

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements as of March 31, 2024 or as of December 31, 2023.

Critical accounting policies and estimates

Our condensed 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, 2023.

Recent accounting pronouncements

A discussion of recent accounting pronouncements is included in Note 2 to our condensed 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. An immediate increase or decrease in interest rates of 100 basis points at March 31, 2024 could result in a $2 million market value reduction or increase of the same amount.

Foreign currency exchange risk

All of our revenue and a majority of our expense and capital purchasing activities for the three months ended March 31, 2024 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 Mexico, Australia and UK-based operations, we pay payroll and other expenses in Mexican pesos, 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 concentrations of credit risk consist of cash and cash equivalents, restricted cash, and accounts receivable. Our investment policy limits investments to high credit quality securities issued by the U.S. government, U.S. government-sponsored agencies, and highly rated corporate securities, subject to certain concentration limits and restrictions on maturities. Our cash and cash equivalents and restricted cash are held by financial institutions that management believes are of high credit quality. Amounts on deposit may at times exceed FDIC insured limits. We have not experienced any losses on our deposits of cash and cash equivalents, and accounts are monitored by management to mitigate risk. We are exposed to credit risk in the event of default by the financial institutions holding our cash and cash equivalents or an event of default by the issuers of the corporate debt securities we hold.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

As of March 31, 2024, and under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded as of March 31, 2024, that our disclosure controls and procedures were not effective because of the material weakness in our internal control over financial reporting that was disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 (“Form 10-K”).

As discussed in Part II, Item 9A, “Controls and Procedures” in our Form 10-K, we identified material weaknesses in internal control over financial reporting in the following areas:

(i) information technology (“IT”) general controls.

We did not maintain effective controls over (i) user access to ensure appropriate segregation of duties and adequately restrict user and privileged access to financial applications, programs and data to the appropriate personnel; (ii) program change management for financial applications to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; and (iii) IT operations controls to ensure that critical interface jobs are monitored.

Status of Remediation Efforts

In response to the material weakness identified and described above, our management, with the oversight of the Audit Committee of our Board of Directors, will continue through 2024 to dedicate significant efforts and resources to further improve our control environment and to take steps to remediate this material weakness.

Changes in internal control over financial reporting

Except for the implementation of our remediation plans in connection with our ineffective disclosure controls and procedures described above, there have been no significant changes in our internal controls over financial reporting that occurred during the three month period ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company may become involved in litigation related to claims arising from the ordinary course of our business. The Company believes 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, 2023.

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**

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each such terms are defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Description	Incorporated by Reference Form	File No.	Exhibit	Effective 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	Second Amended and Restated Bylaws of the registrant.	8-K	001-39423	3.2	September 1, 2023

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
10.1	Form of Performance Unit Agreement	8-K	001-39423	10.1	March 8, 2024
10.2	Form of Notice of Grant of Performance Units (Adjusted EBITDA)	8-K	001-39423	10.2	March 8, 2024
10.3	Form of Notice of Grant of Performance Units (Revenue)	8-K	001-39423	10.3	March 8, 2024
10.4	Form of Notice of Grant of Performance Units (Total Stockholder Return)	8-K	001-39423	10.4	March 8, 2024
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 with Embedded Linkbases 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 9, 2024 By: /s/ Brent Bellm

Brent Bellm
Chairman and Chief Executive Officer

Date: May 9, 2024 By: /s/ Daniel Lentz

Daniel Lentz
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 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 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 9, 2024

By: /s/ Brent Bellm
Brent Bellm
Chairman 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, Daniel Lentz, 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 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 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 9, 2024

By: /s/ Daniel Lentz
Daniel Lentz
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, 2024, 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 9, 2024	By:	/s/ Brent Bellm
		Brent Bellm
		Chairman and Chief Executive Officer
		(Principal Executive Officer)
Date: May 9, 2024	By:	/s/ Daniel Lentz
		Daniel Lentz
		Chief Financial Officer
		(Principal Financial Officer)