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 June 30, 2022

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 **(State or other jurisdiction of incorporation or organization)**	**46-2707656** **(I.R.S. Employer Identification No.)**
11305 Four Points Drive **Building II, 3rd Floor** **Austin, Texas** **(Address of principal executive offices)**	**78726** **(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 June 30, 2022, the registrant had 73,376,095 shares of common stock, $0.0001 par value per share outstanding.

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PART I—FINANCIAL INFORMATION

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Consolidated Financial Statements

BigCommerce Holdings, Inc.

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

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 220,550	$ 297,561
Restricted cash	1,331	1,143
Marketable securities	138,109	102,315
Accounts receivable, net	45,908	39,806
Prepaid expenses and other assets	8,944	9,710
Deferred commissions	5,138	4,013
Total current assets	419,980	454,548
Property and equipment, net	9,314	7,429
Right-of-use-assets	10,889	9,515
Prepaid expenses, net of current portion	588	831
Deferred commissions, net of current portion	6,662	5,673
Intangible assets, net	31,416	35,032
Goodwill	49,742	42,432
Total assets	$ 528,591	$ 555,460
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 6,283	$ 8,211
Accrued liabilities	2,137	2,941
Deferred revenue	15,224	12,752
Current portion of operating lease liabilities	2,799	2,653
Other current liabilities	52,186	36,254
Total current liabilities	78,629	62,811
Deferred revenue, net of current portion	1,454	1,359
Long-term debt	336,515	335,537
Operating lease liabilities, net of current portion	11,276	10,217
Other long-term liabilities, net of current portion	15,738	7,248
Total liabilities	443,612	417,172
Commitments and contingencies (Note 7)		
Stockholders' equity		
Preferred stock, $0.0001 par value; 10,000 shares authorized at June 30, 2022 and December 31, 2021; 0 shares issued and outstanding, at June 30, 2022 and December 31, 2021	—	—
Common stock, $0.0001 par value; 500,000 shares Series 1 and, 5,051 shares Series 2 authorized at June 30, 2022 and December 31, 2021; 73,388 and 72,311 shares Series 1 issued and outstanding at June 30, 2022 and December 31, 2021, respectively, and 0 shares Series 2 issued and, outstanding at June 30, 2022, and December 31, 2021, respectively	7	7
Additional paid-in capital	552,752	528,540
Accumulated other comprehensive loss	(1,070)	(191)
Accumulated deficit	(466,710)	(390,068)
Total stockholders' equity	84,979	138,288
Total liabilities and stockholders' equity	$ 528,591	$ 555,460

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

BigCommerce Holdings, Inc.

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Revenue	$ 68,203	$ 49,013	$ 134,253	$ 95,673
Cost of revenue	16,860	10,185	33,963	19,435
Gross profit	51,343	38,828	100,290	76,238
Operating expenses:				
Sales and marketing	34,348	22,157	66,521	42,966
Research and development	22,394	14,725	43,339	28,260
General and administrative	19,211	13,110	36,523	24,718
Acquisition related expenses	12,521	1,107	25,181	1,107
Amortization of intangible assets	2,009	—	4,046	—
Total operating expenses	90,483	51,099	175,610	97,051
Loss from operations	(39,140)	(12,271)	(75,320)	(20,813)
Interest income	577	29	699	41
Interest expense	(705)	—	(1,414)	—
Other expense	(297)	27	(452)	13
Loss before provision for income taxes	(39,565)	(12,215)	(76,487)	(20,759)
Provision for income taxes	40	6	155	6
Net loss	$ (39,605)	$ (12,221)	$ (76,642)	$ (20,765)
Basic and diluted net loss per share attributable to common stockholders	$ (0.54)	$ (0.17)	$ (1.05)	$ (0.30)
Weighted average shares used to compute basic and diluted net loss per share attributable to common stockholders	73,084	70,622	72,782	70,194

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net loss	$ (39,605)	$ (12,221)	$ (76,642)	$ (20,765)
Other comprehensive income (loss):				
Net unrealized gain (loss) on marketable debt securities	(266)	—	(879)	—
Total comprehensive loss	$ (39,871)	$ (12,221)	$ (77,521)	$ (20,765)

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

BigCommerce Holdings, Inc.

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

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders’ Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	—	$ —	72,311	$ 7	$ 528,540	$ (390,068)	$ (191)	$ 138,288
Exercise of stock options	—	—	272	—	277	—	—	277
Release of restricted stock units	—	—	90	—	—	—	—	0
Stock-based compensation	—	—	—	—	8,962	—	—	8,962
Total other comprehensive loss	—	—	—	—	—	—	(613)	(613)
Net loss	—	—	—	—	—	(37,037)	—	(37,037)
Balance at March 31, 2022	—	$ —	72,673	$ 7	$ 537,779	$ (427,105)	$ (804)	$ 109,877
Exercise of stock options, net of shares withheld for taxes	—	—	208	—	(219)	—	—	(219)
Release of restricted stock units	—	—	248	—	—	—	—	—
Issuance of common stock as consideration for an acquisition	—	—	259	—	4,614	—	—	4,614
Stock-based compensation	—	—	—	—	10,578	—	—	10,578
Total other comprehensive loss	—	—	—	—	—	—	(266)	(266)
Net loss	—	—	—	—	—	(39,605)	—	(39,605)
Balance at June 30, 2022	—	$ —	73,388	$ 7	$ 552,752	$ (466,710)	$ (1,070)	$ 84,979

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders’ Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	—	$ —	69,512	$ 7	$ 530,143	$ (313,391)	$ —	$ 216,759
Exercise of stock options	—	—	784	—	1,952	—	—	1,952
Stock-based compensation	—	—	—	—	5,171	—	—	5,171
Net loss	—	—	—	—	—	(8,544)	—	(8,544)
Balance at March 31, 2021	—	$ —	70,296	$ 7	$ 537,266	$ (321,935)	$ —	$ 215,338
Exercise of stock options	—	—	509	—	1,428	—	—	1,428
Release of restricted stock units	—	—	305	—	—	—	—	—
Stock-based compensation	—	—	—	—	6,522	—	—	6,522
Net loss	—	—	—	—	—	(12,221)	—	(12,221)
Balance at June 30, 2021	—	$ —	71,110	$ 7	$ 545,216	$ (334,156)	$ —	$ 211,067

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

BigCommerce Holdings, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six months ended June 30, 2022	Six months ended June 30, 2021
Cash flows from operating activities		
Net loss	$ (76,642)	$ (20,765)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,647	1,437
Amortization of discount on debt	978	—
Stock-based compensation	19,540	11,693
Allowance for credit losses	3,399	1,627
Changes in operating assets and liabilities:		
Accounts receivable	(9,501)	(7,710)
Prepaid expenses	1,010	408
Deferred commissions	(2,055)	(1,453)
Accounts payable	(1,929)	(376)
Accrued and other liabilities	21,252	(3,899)
Deferred revenue	2,441	1,632
Net cash used in operating activities	(35,860)	(17,406)
Cash flows from investing activities:		
Cash paid for acquisition	(696)	—
Purchase of property and equipment	(3,486)	(1,644)
Maturity of marketable securities	42,600	—
Purchase of marketable securities	(79,273)	(30,397)
Net cash used in investing activities	(40,855)	(32,041)
Cash flows from financing activities:		
Proceeds from exercise of stock options	(108)	2,868
Net cash provided by (used in) financing activities	(108)	2,868
Net change in cash and cash equivalents and restricted cash	(76,823)	(46,579)
Cash and cash equivalents and restricted cash, beginning of period	298,704	220,607
Cash and cash equivalents and restricted cash, end of period	$ 221,881	$ 174,028
Supplemental cash flow information:		
Cash paid for interest	$ 472	$ —
Cash paid for taxes	$ 32	$ —
Noncash investing and financing activities:		
Changes in capital additions, accrued but not paid	$ 105	$ —
Fair value of shares issued as consideration for acquisition	$ 4,614	$ —
Reconciliation of cash, cash equivalents and restricted cash within the condensed consolidated balance sheet to the amounts shown in the statements of cash flows above:		
Cash and cash equivalents	220,550	172,872
Restricted cash	1,331	1,156
Total cash, cash equivalents and restricted cash	$ 221,881	$ 174,028

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

BigCommerce Holdings, Inc.

Notes to Condensed Consolidated Financial Statements

1. Overview

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

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

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

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

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

2. Summary of significant accounting policies

Basis of presentation

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

In the opinion of management, the accompanying interim unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation. Certain information and disclosures normally included in the notes to the annual consolidated financial statements prepared in accordance with GAAP have been omitted from these interim unaudited condensed consolidated financial statements pursuant to the rules and regulations of the SEC. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the accompanying notes for the fiscal year ended December 31, 2021, which are included in our Annual Report on Form 10-K, filed with the SEC on March 1, 2022. The results of operations for the six months ended June 30, 2022, are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or for any other period.

Basis of consolidation

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

Use of estimates

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

2. Summary of significant accounting policies (continued)

Segment and geographic information

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

Revenue by geographic region was as follows:

(in thousands)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenue:				
Americas – U.S.	$ 52,760	$ 37,544	$ 104,260	$ 73,654
Americas – other	2,988	1,906	5,672	3,641
EMEA	6,802	4,782	13,086	9,185
APAC	5,653	4,781	11,235	9,193
Total revenue	$ 68,203	$ 49,013	$ 134,253	$ 95,673

Long-lived assets by geographic region was as follows:

(in thousands)	June 30, 2022	December 31, 2021
Long-lived assets:		
Americas – U.S.	$ 8,534	$ 6,847
Americas - others	—	—
EMEA	432	256
APAC	348	326
Total long-lived assets	$ 9,314	$ 7,429

Cash and cash equivalents

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

Restricted cash

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

Marketable securities

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

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

2. Summary of significant accounting policies (continued)

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

Accounts receivable

Accounts receivable are stated at net realizable value and include unbilled receivables. Unbilled receivables arise primarily when we provide subscriptions services in advance of billing. 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 June 30, 2022 and December 31, 2021 included unbilled receivables of $16.6 million, $13.1 million, respectively.

We assess the collectability of outstanding accounts receivable on an ongoing basis and maintain an allowance for credit losses for accounts receivable deemed uncollectible. Upon adoption of ASU 2016-13, we analyzed the accounts receivable portfolio for significant risks, historical activity, and an estimate of future collectability to determine the amount that will ultimately be collected. This estimate is analyzed quarterly and adjusted as necessary. Identified risks pertaining to our accounts receivable include the delinquency level, customer type, and current economic environment. The estimate of the amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances and the financial condition of customers, our assessment of the overall portfolio and general economic conditions.

The allowance for credit losses consisted of the following:

(in thousands)		
Balance at December 31, 2021	$	3,867
Provision for expected credit losses		1,313
Accounts written off		(637)
Balance at March 31, 2022		4,543
Provision for expected credit losses		2,086
Accounts written off		(636)
Balance at June 30, 2022	$	5,993

Property and equipment

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

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

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

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

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

2. Summary of significant accounting policies (continued)

Research and development and internal use software

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

Software development costs associated with internal use software, which are incurred during the application development phase and meet other requirements under the guidance are capitalized. As of June 30, 2022, we have capitalized $1.4 million. As of December 31, 2021, software costs eligible for capitalization were not significant.

Leases

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

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

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

Business combinations

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

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

Acquisition related expenses

Acquisition related expenses consist primarily of cash payments for third-party acquisition costs and other acquisition related expenses. We recognized $12.5 million and $25.2 million in acquisition related expenses during the three and six months ended June 30, 2022, respectively. For the six months ended June 30, 2022, $0.4 million was recognized on acquisition related spend and $24.8 million was recognized in connection with contingent compensation arrangements entered with our fiscal 2021 acquisitions, as further discussed in Note 5 “Business Combination” and Note 13 “Subsequent events”. We entered into contingent compensation arrangements, in which payments will be made after the first and second anniversaries of the closing or upon the earlier achievement of certain product and financial milestones. The compensation arrangements are contingent upon continued post-acquisition employment with us. We account for the cost related to the first and second contingent compensation arrangement payments over the service periods of 12 and 24 months, respectively, beginning on the acquisition date, assuming earlier achievement of product and financial milestones is unlikely to be met.

Goodwill and other acquired intangible, net

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

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

2. Summary of significant accounting policies (continued)

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

Income taxes

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

We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely upon its technical merits at the reporting date. The unrecognized tax benefit is the difference between the tax benefit recognized and the tax benefit claimed on our income tax return. All of our gross unrecognized tax benefits, if recognized, would not affect its effective tax rate, but would be recorded as an adjustment to equity before consideration of valuation allowances. We do not expect unrecognized tax benefits to decrease within the next twelve months. We recognize accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of June 30, 2022, we have not accrued any interest or penalties related to unrecognized tax benefits. We believe that all material tax positions in the current and prior years have been analyzed and properly accounted for and that the risk of additional material uncertain tax positions that have not been identified is remote.

Stock-based compensation

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

Accounting pronouncements

In October 2021, the FASB issued ASU No. 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. We early adopted this standard on January 1, 2022, using the prospective method. There is no material impact to our consolidated financial statements for the six months ended June 30, 2022 as a result of the adoption.

Foreign currency

Our functional and reporting currency and the functional and reporting currency of our subsidiaries is the U.S. dollar. Monetary assets and liabilities denominated in foreign currencies are re-measured to U.S. dollars using the exchange rates at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are measured in U.S. dollars using historical exchange rates. Revenue and expenses are measured using the actual exchange rates prevailing on the dates of the transactions. Gains and losses resulting from re-measurement are recorded within Other expense in our consolidated statements of operations and were not material for all periods presented.

3. Revenue recognition and deferred costs

Revenue recognition

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

The following table disaggregates our revenue by major source:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	2022	2021	2022	2021
Subscription solutions	$ 51,285	$ 33,955	$ 99,272	$ 65,959
Partner and services	16,918	15,058	34,981	29,714
Total revenue	$ 68,203	$ 49,013	$ 134,253	$ 95,673

Subscription solutions

Subscription solutions revenue consists primarily of platform subscription fees from all plans. It also includes recurring professional services and sales of SSL certificates. Subscription solutions are charged monthly, quarterly, or annually for our customers to sell their products and process transactions on our platform. Subscription solutions are generally charged per online store and are based on the store's subscription plan. Monthly subscription fees for Pro and Enterprise plans are adjusted if a customer's gross merchandise volume or orders processed are above specified plan thresholds on a trailing twelve-month basis. For most subscription solutions arrangements, we have determined we meet the variable consideration allocation exception and, therefore, recognize fixed monthly fees or a pro-rata portion of quarterly or annual fees and any transaction fees as revenue in the month they are earned. A portion of our Enterprise subscription plans include an upfront promotional period in order to incentivize the customer to enter into a subscription arrangement. For these Enterprise arrangements, the total subscription fee is recognized on a straight-line basis over the term of the contract.

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

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

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

Partner and services

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

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

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

3. Revenue recognition and deferred costs (continued)

Contracts with multiple performance obligations

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

Our subscription contracts are generally comprised of a single performance obligation to provide access to our platform, but can include additional performance obligations. For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, we may be required to allocate the contract's transaction price to each performance obligation using our best estimate of SSP.

Contracts with our technology solution partners often include multiple performance obligations, which can include integrations and marketing activities. In determining whether integration services are distinct from hosting services we consider various factors. These considerations included the level of integration, interdependency, and interrelation between the implementation and hosting service. We have concluded that the integration services included in contracts with hosting obligations are not distinct. As a result, we defer any arrangement fees for integration services and recognize such amounts over the life of the hosting obligation. To determine if marketing activities are distinct, we consider the nature of the promise in the contract, the timing of payment, and the partner expectations. Additional consideration for some partner contracts varies based on the level of customer activity on the platform. For most of our contracts, we have determined that we meet the variable consideration allocation exception and therefore recognize these variable fees in the period they are earned.

Judgment is required to determine which performance obligations are distinct and the allocation of consideration to 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. For certain arrangements, we may be required to allocate the contract's transaction price to multiple performance obligations based on SSP. The primary method used to estimate SSP is the expected cost-plus margin approach, which considers margins achieved on standalone sales of similar products, market data related to historical margins within an industry, industry sales price averages, market conditions, and profit objectives.

Cost of revenue

Cost of revenue consists primarily of personnel-related costs, including: stock-based compensation expenses for customer support and professional services personnel; costs of maintaining and securing our infrastructure and platform; amortization expense associated with capitalized internal-use software; and allocation of overhead costs. With our acquisition of Feedonomics on July 23, 2021, cost of revenue also includes personnel and other costs related to feed management services along with other customer support personnel.

Deferred revenue

Deferred revenue primarily consists of amounts that have been billed to or received from customers in advance of performing the associated services. We recognize revenue from deferred revenue when the services are performed, and the corresponding revenue recognition criteria are met. We recognized $9.5 million of previously deferred revenue during the six months ended June 30, 2022.

The net increase in the deferred revenue balance for the six months ended June 30, 2022 is primarily due to increases in SaaS related subscriptions. Amounts recognized from deferred revenue represent primarily revenue from the sale of subscription solutions, integration, and marketing services.

As of June 30, 2022, we had $152.6 million of remaining performance obligations, which represents contracted revenue minimums that have not yet been recognized, including amounts that will be invoiced and recognized as revenue in future periods. We expect to recognize approximately 51% of the remaining performance obligations as revenue in the following 12-month period, and the remaining balance in the periods thereafter.

3. Revenue recognition and deferred costs (continued)

Deferred commissions

Certain sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions are not paid on subscription renewals. We amortize deferred sales commissions ratably over the estimated period of our relationship with customers of approximately three years. Based on historical experience, we determine the average life of our customer relationship by taking into consideration our customer contracts and the estimated technological life of our platform and related significant features. We include amortization of deferred commissions in Sales and marketing expense in the consolidated statements of operations. We periodically review the carrying amount of deferred commissions to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. We did not recognize an impairment of deferred commissions during the six months ended June 30, 2022 and the year ended December 31, 2021.

Sales commissions of $4.4 million and $2.9 million were deferred for the six months ended June 30, 2022 and 2021, respectively; and deferred commission amortization expense was $2.3 million and $1.5 million for the six months ended June 30, 2022 and 2021, respectively.

4. Fair value measurements, cash equivalents and marketable securities

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

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

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

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

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

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

	As of June 30, 2022			
(in thousands)	(Level 1)	(Level 2)	(Level 3)	Total
Financial assets:				
Money market funds	$ 194,712	$ —	$ —	$ 194,712
U.S. treasury securities	$ 39,505	$ —	$ —	$ 39,505
Corporate securities	$ —	$ 98,604	$ —	$ 98,604
Total financial assets	$ 234,217	$ 98,604	$ —	$ 332,821

	As of December 31, 2021			
(in thousands)	(Level 1)	(Level 2)	(Level 3)	Total
Financial assets:				
Money market funds	$ 262,679	$ —	$ —	$ 262,679
U.S. treasury securities	$ 21,926	$ —	$ —	$ 21,926
Corporate securities	$ —	$ 80,389	$ —	$ 80,389
Total financial assets	$ 284,605	$ 80,389	$ —	$ 364,994

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

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

	As of June 30, 2022			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 194,712	$ —	$ —	$ 194,712
Marketable securities:				
U.S. treasury securities	$ 40,019	$ —	$ (514)	$ 39,505
Corporate securities	$ 99,160	$ —	$ (556)	$ 98,604

	As of December 31, 2021			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 262,679	$ —	$ —	$ 262,679
Marketable securities:				
U.S. treasury securities	$ 21,999	$ —	$ (74)	$ 21,925
Corporate securities	$ 80,506	$ —	$ (117)	$ 80,389

In September 2021, we issued $345.0 million aggregate principal amount of 0.25% convertible senior notes due 2026 (the “Notes”). The estimated fair value of the notes was approximately $244.0 million as of June 30, 2022. The Notes were categorized as Level 2 instruments as the estimated fair value was determined based on estimated or actual bids and offers of the Notes in an inactive market on the last business day of the period.

5. Business combinations

Fiscal 2022

April 2022 Acquisition of Bundle B2B Inc.

On April 25, 2022, BigCommerce completed its acquisition of Bundle B2B, Inc., (“Bundle”) a B2B eCommerce solution that provides advanced B2B functionality seamlessly with BigCommerce’s platform. The total purchase price was $7.7 million. We acquired Bundle because it is complementary to our core business and will allow us to expand our product offerings to our merchant base. The purchase price was based on the expected financial performance of Bundle, not on the value of the net identifiable assets at the time of the acquisition. This resulted in a significant portion of the purchase price being attributed to goodwill. The purchase price included the issuance of common stock in the amount of $4.6 million, cash of $0.8 million, an escrow withheld in the amount of $0.9 million and $1.4 million of contingent consideration. The amount held in escrow will be paid out on the first anniversary date with the issuance of the stock based on the fair value of our common stock on the date of payment. Of the $1.4 million contingent consideration, $0.7 million is tied to the migration of old merchants to updated plans over a 6-months period from acquisition date and the remaining $0.7 million is tied to ongoing performance measures over a 12-months period from the acquisition date. The purchase price primarily included $0.4 million of developed technology and $7.3 million of goodwill that is not expected to be deductible for tax purposes. The identifiable intangible assets, which consisted of developed technology, have estimated useful lives of four years. Our purchase accounting is not yet complete, and the fair value of asset acquired, and liabilities assumed, including valuation of intangible assets, may change as additional information is received during the measurement period. The measurement period will end no later than one year from the acquisition date. The pro forma financial information assuming fiscal 2022 acquisition had occurred as of the beginning of the fiscal year prior to the fiscal year of the acquisition, as well as the revenue and earnings generated during the current fiscal year, were not material for disclosure purposes.

5. Business combinations (continued)

Fiscal 2021

July 2021 Acquisition of Feedonomics

On July 23, 2021, we acquired substantially all the assets and assumed certain specified liabilities of Feedonomics, LLC’s existing business (“Feedonomics”), a SaaS company offering online product feed management platform used by merchants to optimize product data and syndicate and list products into multiple sales channels, including advertising, marketplace, affiliate and social channels, for a total purchase price of $81.1 million in cash.

The table below summarizes the estimated fair value of the asset acquired and liability assumed at the date of the acquisition.

(in thousands)		July 23rd, 2021
Accounts receivable	$	3,107
Prepaid expenses and other assets	$	108
Acquisition related intangible assets	$	36,951
Other non-current assets	$	458
Accounts payable and accrued liabilities	$	287
Customer prepaid liabilities	$	225
Operating lease liabilities	$	345
Net asset acquired, excluding goodwill	$	39,767
Total purchase consideration	$	81,066
Goodwill	$	41,299

We acquired Feedonomics because it is complementary to our core business. The purchase price was based on the expected financial performance of Feedonomics, not on the value of the net identifiable assets at the time of the acquisition. This resulted in a significant portion of the purchase price being attributed to goodwill. The goodwill amount represents synergies expected to be realized from the business combination and assembled workforce. Assets acquired and liabilities assumed were reviewed and adjusted to their fair values at the date of the acquisition, as necessary. The fair value of the developed technology and the trade name were determined using the relief from royalty method and customer relationships and non-compete agreement were determined using the multi-period excess earning model. The valuation of the intangibles assets incorporate significant unobservable input and require management judgment and estimate, including the amount and timing of the future cashflow and the determination of the discount rate. The goodwill of $41.3 million from this transaction is deductible for tax purposes and will be amortized over 15 years beginning in the month of acquisition. We have evaluated the tax treatment of contingent compensation arrangements which will be treated as consideration for tax purposes and increase the amount of tax deductible goodwill when paid.

In conjunction with the transaction, we entered into a contingent compensation arrangement with certain employees of Feedonomics for their post-acquisition services, in which $32.5 million will be made to those individuals within ten business days after both the first and second anniversaries of the closing or upon the earlier achievement of certain product and financial milestones for an aggregate amount of $65.0 million. Product milestones include certain product enhancement and integration with existing products and financial milestones include certain revenue and gross margin targets. We account for the cost related to the first and second contingent compensation arrangement payments over the service periods of 12 and 24 months, respectively, beginning on the acquisition date, assuming earlier achievement of product and financial milestones is unlikely to be met. As the contingent compensation is related to post-acquisition services, it is not considered as part of the purchase price of $81.1 million. We recognized $24.8 million and $0.0 million in additional compensation expense related to these contingent compensation arrangements for the six months ended June 30, 2022 and June 30, 2021, respectively. We include this expense in acquisition related expenses in our condensed consolidated statements of operations. Further, we elected to make the first contingent compensation payment of $32.5 million in cash and made that payment on August 3, 2022.

5. Business combinations (continued)

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

(in thousands)	Estimated fair value	Weighted average amortization period (in years)
Developed technology	$ 11,794	4.0
Customer relationship	$ 22,525	5.7
Tradename	$ 2,470	5.0
Non-compete agreement	$ 162	3.0
Total acquisition-related intangible assets	$ 36,951	

November 2021 Acquisition of Quote Ninja, Inc. (dba B2B Ninja)

During the year ended December 31, 2021, BigCommerce completed the acquisition of Quote Ninja, Inc., a premier enterprise software solution providing leading business-to-business (“B2B”) ecommerce capabilities for merchants of all sizes. The total purchase price was $2.0 million paid from our common stock. In addition to the closing stock consideration, we entered into a contingent compensation arrangement with certain employees of B2B for their post-acquisition services, in which $0.5 million in additional common stock will be paid to those individuals on the first and second anniversaries of the closing for an aggregate amount of $1.0 million. The purchase price primarily included $1.1 million of intangible assets and $0.9 million of goodwill that is not expected to be deductible for tax purposes. The identifiable intangible assets, which primarily consisted of completed technology, have estimated useful lives of three years.

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. The change in goodwill of $7.3 million from December 31, 2021 to June 30, 2022, resulted from the acquisition of Bundle, as further discussed in Note 5 “Business Combinations.”

Goodwill amounts are not amortized but tested for impairment on an annual basis. There was no impairment of goodwill as of June 30, 2022.

Definite-lived intangible assets are amortized on a straight-line basis over the useful life. Definite-lived intangible assets amortization was $4.0 million and $0.0 million for six months ended June 30, 2022 and June 30, 2021 respectively.

Definite-lived intangible assets consists of the following:

(in thousands)	June 30, 2022			December 31, 2021			Weighted average remaining useful life as of June 30, 2022 (in years)
	Gross amount	Accumulated amortization	Net carrying amount	Gross amount	Accumulated amortization	Net carrying amount	
Developed technology	$ 13,367	$ (3,026)	$ 10,341	$ 12,937	$ (1,294)	$ 11,643	3.0
Customer relationship	$ 22,525	$ (3,742)	$ 18,783	$ 22,525	$ (1,749)	$ 20,776	4.8
Tradename	$ 2,470	$ (464)	$ 2,006	$ 2,470	$ (217)	$ 2,253	4.1
Non-compete agreement	$ 162	$ (51)	$ 111	$ 162	$ (24)	$ 138	2.1
Other intangibles	$ 285	$ (110)	$ 175	$ 285	$ (63)	$ 222	1.8
Total definite-lived intangible	$ 38,809	$ (7,393)	$ 31,416	$ 38,379	$ (3,347)	$ 35,032	

6. Goodwill and intangible assets (continued)

As of June 30, 2022, expected amortization expense for definite-lived intangible assets was as follows:

(in thousands)	June 30, 2022
2022 (July 1st through December 31st)	4,033
2023	8,065
2024	7,930
2025	6,241
2026	3,429
Thereafter	1,718
Total	$ 31,416

7. Commitments, contingencies, and leases

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

Our certificate of incorporation and certain contractual arrangements provide for indemnification of our officers and directors for certain events or occurrences. We maintain a directors and officers insurance policy to provide coverage in the event of a claim against an officer or director. Historically, we have not been obligated to make any payments for indemnification obligations, and no liabilities have been recorded for these obligations on the consolidated balance sheets as of June 30, 2022 or December 31, 2020.

Leases

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

Operating and short-term rent expenses was $1.0 million and $0.9 million for the three-month periods ended June 30, 2022 and 2021, respectively and was $2.0 million and $1.8 million for the six month periods ended June 30, 2022 and 2021, respectively. Short-term rent expense was not material for any of the periods presented.

Supplemental lease information

Cash flow information (in thousands)	Six months ended June 30,	
	2022	2021
Cash paid for operating lease liabilities	$ 2,092	$ 1,947
Right-of-use assets obtained in acquisition	$ —	$ —

Operating lease information	Six months ended June 30,	
	2022	2021
Weighted-average remaining lease-term	5.02	5.75
Weighted-average discount rate	5.41%	5.46%

7. Commitments, contingencies, and leases (continued)

The future maturities of operating lease liabilities are as follows:

(in thousands)		June 30, 2022
2022 (July 1st through December 31st)		1,823
2023		3,254
2024		2,985
2025		2,775
2026		2,528
Thereafter		2,852
Total minimum lease payments	$	16,217
Less imputed interest		(2,074)
Total lease liabilities	$	14,143

8. Other liabilities

The following table summarizes the components of other current liabilities:

(in thousands)		As of June 30, 2022		As of December 31, 2021
Sales tax payable	$	973	$	679
Payroll and payroll related expenses		15,456		17,315
Acquisition related compensation		32,992		14,309
Other		2,765		3,951
Other current liabilities	$	52,186	$	36,254

Included in other long-term liabilities at June 30, 2022 and December 31, 2021, is $15.4 million and $7.2 million, respectively, that has been accrued in connection with the acquisition of Feedonomics and B2B, as further discussed in Note 5 “Business Combinations.”

9. Debt

2021 Convertible Senior Notes

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

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

9. Debt (continued)

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

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

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

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

2021 Capped Call Transactions

In connection with the pricing of the 2021 Notes, we entered into privately negotiated capped call transactions (the “Capped Call Transactions”) with certain financial institutions.

We used $35.6 million of the net proceeds from the Notes to enter into privately negotiated capped call instruments the (“Capped Call Transactions”) with certain financial institutions. The Capped Call Transactions are generally expected to reduce potential dilution to holders of our common stock upon any conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of the Notes upon conversion of the Notes in the event that the market price per share of our common stock is greater than the strike price of the Capped Call Transactions with such reduction and/or offset subject to a cap.

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

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

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

(in thousands)	June 30, 2022	December 31, 2021
Principal balance	$ 345,000	$ 345,000
Unamortized issuance costs	$ (8,485)	$ (9,463)
Carrying value, net	$ 336,515	$ 335,537

9. Debt (continued)

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

(in thousands)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Contractual interest expense	$ 216	$ —	$ 437	$ —
Amortization of issuance costs	489	—	977	—
Total	$ 705	$ —	$ 1,414	$ —

Debt fees

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

10. Stockholders' equity (deficit)

Equity Incentive Plans – Stock Options

During the six months ended June 30, 2022, we granted an aggregate of 876,584 shares of stock options, with a weighted average exercise price of $20.25 per share. The fair value of options granted was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions (i) expected term of 6.1 years, (ii) expected volatility of 63%, (iii) risk-free interest rate 1.8% and (iv) expected dividend yield of 0%.

Restricted Stock Units

During the six months ended June 30, 2022, we granted an aggregate of 2,263,969 RSUs with a weighted grant-date fair value of $19.14. The RSUs vest over the requisite service period of 4 years from the date of grant, subject to the continued employment of the employees.

Stock Based Compensation Expense

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

(in thousands)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Cost of revenue	$ 978	$ 526	$ 1,840	$ 913
Sales and marketing	3,137	1,943	5,720	3,522
Research and development	3,029	1,466	5,555	2,614
General and administrative	3,434	2,587	6,425	4,644
Total stock-based compensation expense	$ 10,578	$ 6,522	$ 19,540	$ 11,693

11. Income taxes

Our provision for income taxes is based on estimated effective tax rates derived from an estimate of annual consolidated earnings before taxes, adjusted for nondeductible expenses, other permanent items, valuation allowances, and any applicable income tax credits.

Our provision for incomes taxes reflected an effective tax rate of (0.11) % and (0.05) % for the three months ended June 30, 2022 and 2021 respectively and (0.20)% and (0.03)%, for the six months ended June 30, 2022 and 2021 respectively. The difference in the 21% U.S. statutory tax rate and the effective tax rates for all periods is primarily a result of valuation allowances offsetting the benefit of forecasted losses in the U.S., Australia, and the United Kingdom. The income tax expense recorded for the three and six months ended June 30, 2022 is primarily related to foreign jurisdictions in which we are profitable, changes in deferred tax liabilities associated with amortization of United States tax deductible goodwill, and state taxes in certain states in which we have taxable

11. Income taxes (continued)

income. These tax expenses are offset by the deferred tax benefit attributable to the release of valuation allowance related to the acquisition of deferred tax liabilities associated with our business combination occurring during the three months ended June 30, 2022.

The income tax expense recorded for the three and six months ended June 30, 2021 is primarily related to foreign jurisdictions in which we are profitable and state taxes in certain states in which we have taxable income.

We have historically incurred operating losses in the United States, Australia, and the United Kingdom and, given our cumulative losses and limited history of profits, have recorded a valuation allowance against the net deferred tax assets in these jurisdictions, exclusive of any tax deductible goodwill, at June 30, 2022 and June 30, 2021, respectively.

We file tax returns in the U.S., including various state and local returns, and in other foreign jurisdictions including Australia, Ireland, Singapore, Ukraine, and the United Kingdom. We believe adequate provision has been made for all income tax uncertainties. We are not currently under audit in any filing jurisdiction. Fiscal years 2017 through 2020 remain open to examination by the major taxing jurisdictions to which we are subject; although, carry forward attributes that were generated in tax years prior to fiscal year 2017 may be adjusted upon examination by the tax authorities up to the close of the statute of limitations on the year in which the attributes are utilized.

We account for uncertainty in income taxes recognized in our financial statements using prescribed recognition thresholds and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on our tax returns. We had $396 thousand and $0 thousand of tax effected unrecognized tax benefits as of June 30, 2022, and June 30, 2021, respectively, all of which would affect our effective income tax rate if recognized. We recorded no increase in unrecognized tax benefits for the three- month period ended June 30, 2022.

12. Net loss per share

Net loss per share

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Because we have reported a net loss for the three and six months ended June 30, 2022, and 2021, the number of shares used to calculate diluted net loss per share of common stock attributable to common stockholders is the same as the number of shares used to calculate basic net loss per share of common stock attributable to common stockholders for the period presented because the potentially dilutive shares would have been antidilutive if included in the calculation. Series 1 and Series 2 have the same rights and privileges except Series 2 are not entitled to vote on any matter except as required by law. A pre-IPO preferred shareholder received Series 2 upon the conversion of their preferred shares at the time of our initial public offering, all of which were subsequently converted to shares of Series 1 common stock. There are no Series 2 shares outstanding as of June 30, 2022. Series 1 common stock is referred to as common stock throughout, unless otherwise noted.

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

	As of June 30,	
(in thousands)	2022	2021
Stock options outstanding	6,064	6,985
Restricted stock units	4,119	1,646
Acquisition related compensation (1)	2,041	—
Convertible debt	4,719	—
Total potentially dilutive securities	16,943	8,631

(1) In connection with the acquisition of Feedonomics and B2B Ninja, we entered into contingent compensation arrangements for post-acquisition services. Additionally, our acquisition of Bundle included $1.5 million of contingent consideration. Of the $35.0 million to be paid, $33.1 million can be settled in our own stock assuming a price of $16.20 per share.

13. Subsequent events

As further discussed in Note 5, “Business Combinations,” on July 23, 2021 we acquired substantially all of the assets and assumed certain specified liabilities of Feedonomics. In conjunction with this transaction, we entered into a contingent compensation arrangement with certain employees of Feedonomics for their post-acquisition services, in which $32.5 million will be made to those individuals within ten business days after both the first and second anniversaries of the closing or upon the earlier achievement of certain product and financial milestones for an aggregate amount of $65.0 million. We may elect to make each payment in either cash or by issuing our own common stock. On August 3, 2022, we made the first payment of $32.5 million and elected to make that in cash.

Special Note Regarding Forward-Looking Statements

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

- our expectations regarding our revenue, expenses, sales, and operations;
- anticipated trends and challenges in our business and the markets in which we operate;
- the war involving Russia and Ukraine and the potential impact on our operations, global economic and geopolitical conditions;
- our expectations regarding the prevalence of ecommerce and consumer behavior for periods following the end of the COVID-19 pandemic;
- our anticipated areas of investments and expectations relating to such investments;
- 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 impact of the COVID-19 pandemic and the associated economic uncertainty on us, our customers, and our partners;
- our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing;
- the anticipated effect on our business of litigation to which we are or may become a party; and
- other statements described in this Quarterly Report on Form 10-Q under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Although we believe the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future performance and involve risks and uncertainties which are subject to change based on various important factors, some of which are beyond our control. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and “Risk Factors,” in this Quarterly Report on Form 10-Q as well as factors more fully described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report on Form 10-Q.

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

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

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

Overview

BigCommerce is leading a new era of ecommerce. Our SaaS platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We allow merchants to build their ecommerce solution their way with the flexibility to fit their unique business and product offerings. We power both our customers' branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline POS systems. Our strategy is to provide the world's best combination of freedom of choice and flexibility in a multi-tenant SaaS platform. We describe this strategy as "Open SaaS." As of June 30, 2022, we served 5,418 enterprise accounts.

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

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

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

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

Key business metrics

We review the following key business metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our key business metrics may not correspond with increases or decreases in our revenue. We have included the activity of Feedonomics in our key business metrics from the acquisition date of July 23, 2021, through June 30, 2022. Our key business metrics, such as annual revenue run-rate, subscription annual revenue run rate, average revenue per account and others are calculated as of the end of the last month of the reporting period. We have excluded any activity pertaining to Feedonomics from our key business metrics for all periods presented that precede its acquisition. As a result, year over year or quarter over quarter metrics will not include Feedonomics' impact in the base period. Period over period results will be fully comparable after the one-year anniversary of the acquisition.

Annual revenue run-rate

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

Subscription annual revenue run-rate

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

Average revenue per account

We calculate average revenue per account ("ARPA") at the end of a period by including customer-billed revenue and an allocation of partner and services revenue, where applicable. We bill customers for subscription solutions and professional services, and we include both in ARPA for the reported period. For example, ARPA as of June 30, 2022, includes all subscription solutions and professional services billed between January 1, 2022, and June 30, 2022. We allocate partner revenue, where applicable, primarily based on each customer's share of GMV processed through that partner's solution. Partner revenue that is not directly linked to customer usage of a partner's solution is allocated based on each customer's share of total platform GMV. Each account's partner revenue allocation is calculated by taking the account's trailing twelve-month partner revenue, then dividing by twelve to create a monthly average to apply to the applicable period in order to normalize ARPA for seasonality.

Enterprise Account metrics

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

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

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total ARR (in thousands)	$ 295,946	$ 280,426	$ 268,665	$ 253,524	$ 209,289
Subscription ARR (in thousands)	$ 225,757	$ 212,096	$ 203,743	$ 193,169	$ 152,907
Enterprise Account Metrics:					
# of Accounts	5,418	5,365	5,036	4,802	3,915
ARR $	$ 206,604	$ 188,983	$ 172,858	$ 159,866	$ 122,737
ARR % of Total ARR	70%	67%	64%	63%	59%
ARPA	$ 38,133	$ 35,225	$ 34,324	$ 33,292	$ 31,351
2K ACV Account Metrics:					
# of Accounts	13,006	12,972	12,754	12,378	10,986
ARR $	$ 267,277	$ 249,509	$ 237,201	$ 222,303	$ 177,240
ARR% of total ARR	90%	89%	88%	88%	85%
ARPA	$ 20,550	$ 19,234	$ 18,598	$ 17,960	$ 16,133

Accounts with greater than $2,000 ACV

We track the total number of accounts with annual contract value ("ACV") greater than $2,000 (the "ACV threshold") as of the end of a monthly billing period. To define this $2,000 ACV cohort, we include only subscription plan revenue and exclude partner and services revenue and recurring services revenue. We consider all stores and brands added and subtracted as of the end of the monthly billing period. This metric includes accounts that may have either one single store or brand above the ACV threshold or multiple stores or brands that together exceed the ACV threshold.

Net revenue retention

We use net revenue retention ("NRR") to evaluate our ability to maintain and expand our revenue with our account base of customers exceeding the ACV threshold over time. The total billings and allocated partner revenue, where applicable, for the measured period are divided by the total billings and allocated partner revenue for such accounts, corresponding to the period one year prior. An NRR greater than 100% implies positive net revenue retention. This methodology includes stores added to or subtracted from an account's subscription during the previous twelve months. It also includes changes to subscription and partner and services revenue billings, and revenue reductions from stores or accounts that leave the platform during the previous one-year period. Net new accounts added after the previous one-year period are excluded from our NRR calculations. NRR for enterprise accounts was 118% and 112% for years ended December 31, 2021 and 2020, respectively. NRR for accounts with ACV greater than $2,000 was 116% and 113% for the years ended December 31, 2021 and 2020, respectively. We update our reported NRR at the end of each fiscal year and do not report quarterly changes in NRR.

Components of results of operations

Revenue

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

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

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

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

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

Cost of revenue

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

Sales and marketing

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

Research and development

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

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

General and administrative

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

Acquisition related expenses

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

Amortization of intangible assets

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

Other expenses, net

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

Provision for income taxes

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

Results of operations

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
	(in thousands)			
Revenue	$ 68,203	$ 49,013	$ 134,253	$ 95,673
Cost of revenue(1)	16,860	10,185	33,963	19,435
Gross profit	51,343	38,828	100,290	76,238
Operating expenses:				
Sales and marketing(1)	34,348	22,157	66,521	42,966
Research and development(1)	22,394	14,725	43,339	28,260
General and administrative(1)	19,211	13,110	36,523	24,718
Acquisition related expenses	12,521	1,107	25,181	1,107
Amortization of intangible assets	2,009	—	4,046	—
Total operating expenses	90,483	51,099	175,610	97,051
Loss from operations	(39,140)	(12,271)	(75,320)	(20,813)
Interest income	577	29	699	41
Interest expense	(705)	—	(1,414)	—
Other expense	(297)	27	(452)	13
Loss before provision for income taxes	(39,565)	(12,215)	(76,487)	(20,759)
Provision for income taxes	40	6	155	6
Net loss	$ (39,605)	$ (12,221)	$ (76,642)	$ (20,765)

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
	(in thousands)			
Cost of revenue	$ 978	$ 526	$ 1,840	$ 913
Sales and marketing	3,137	1,943	5,720	3,522
Research and development	3,029	1,466	5,555	2,614
General and administrative	3,434	2,587	6,425	4,644
Total stock-based compensation expense	$ 10,578	$ 6,522	$ 19,540	$ 11,693

Revenue by geographic region

The composition of our revenue by geographic region during the three and six months ended June 2022 and 2021 were as follows:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Change Amount	Change %	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Change Amount	Change %
	(dollars in thousands)				(dollars in thousands)			
Revenue								
Americas – U.S.	$ 52,760	$ 37,544	$ 15,216	40.5	$ 104,260	$ 73,654	$ 30,606	41.6
Americas – other	2,988	1,906	1,082	56.8	5,672	3,641	2,031	55.8
EMEA	6,802	4,782	2,020	42.2	13,086	9,185	3,901	42.5
APAC	5,653	4,781	872	18.2	11,235	9,193	2,042	22.2
Total Revenue	$ 68,203	$ 49,013	$ 19,190	39.2	$ 134,253	$ 95,673	$ 38,580	40.3

Comparison of the three and six months ended June 30, 2022 and June 30, 2021

Revenue

	Three months ended June 30,		Change		Six months ended June 30,		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
	(dollars in thousands)							
Revenue								
Subscription solutions	$ 51,285	$ 33,955	$ 17,330	51.0%	$ 99,272	$ 65,959	$ 33,313	50.5%
Partner and services	16,918	15,058	1,860	12.4%	34,981	29,714	5,267	17.7%
Total revenue	$ 68,203	$ 49,013	$ 19,190	39.2%	$ 134,253	$ 95,673	$ 38,580	40.3%

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. Revenue increased $19.2 million, or 39.2%, to $68.2 million from $49.0 million, as a result of increases in both subscription solutions and partner and services revenue as well as the revenue pertaining to the acquisition of Feedonomics. Subscription solutions revenue increased $17.3 million, or 51.0%, to $51.3 million from $34.0 million, primarily due to growth in mid-market and enterprise activity along with strong overall retention. Feedonomics contributed $10.0 million in subscription revenue for the three months ended June 30, 2022. Partner and services revenue increased $1.9 million, or 12.4%, to $16.9 million, from $15.0 million, primarily as a result of increases in revenue-sharing activity with our technology partners and improved monetization of partner revenue share.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. Revenue increased $38.6 million, or 40.3%, to $134.3 million, from $95.7 million, as a result of increases in both subscription solutions and partner and services revenue as well as the revenue pertaining to the acquisition of Feedonomics. Subscription solutions revenue increased $33.3 million, or 50.5%, to $99.3 million, from $66.0 million, primarily due to growth in mid-market and enterprise activity along with strong overall retention. Feedonomics contributed $18.8 million in subscription revenue for the six months ended June 30, 2022. Partner and services revenue increased $5.3 million, or 17.7%, to $35.0 million, from $29.7 million, primarily as a result of increases in revenue-sharing activity with our technology partners and improved monetization of partner revenue share.

Cost of revenue, gross profit, and gross margin

	Three months ended June 30,		Change		Six months ended June 30,		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
	(dollars in thousands)							
Cost of revenue	$ 16,860	$ 10,185	$ 6,675	65.5	$ 33,963	$ 19,435	$ 14,528	74.8
Gross profit	$ 51,343	$ 38,828	$ 12,515	32.2	$ 100,290	$ 76,238	$ 24,052	31.5
Gross margin	75.3%	79.2%			74.7%	79.7%		

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. Cost of revenue increased $6.7 million, or 65.5%, to $16.9 million from $10.2 million, primarily as a result of higher hosting costs resulting from increased transactions processed of $1.1 million, higher personnel costs, including stock-based compensation expense and allocated costs amounting to $2.1 million and expenses related to the acquisition of Feedonomics of $3.5 million. Gross margin decreased to 75.3% from 79.2%, primarily as a result of the acquisition of Feedonomics, which requires a higher level of service.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. Cost of revenue increased $14.6 million, or 74.8%, to $34.0 million from $19.4 million, primarily as a result of higher hosting costs resulting from increased transactions processed of $2.2 million, higher personnel costs, including stock-based compensation expense and allocated costs amounting to $5.3 million and expenses related to the acquisition of Feedonomics of $7.1 million. Gross margin decreased to 74.7% from 79.7%, primarily as a result of the acquisition of Feedonomics, which requires a higher level of service.

Operating expenses

Sales and marketing

	Three months ended June 30, 2022	Three months ended June 30, 2021	Change Amount	Change %	Six months ended June 30, 2022	Six months ended June 30, 2021	Change Amount	Change %
	(dollars in thousands)							
Sales and marketing	$ 34,348	$ 22,157	$ 12,191	55.0	$ 66,521	$ 42,966	$ 23,555	54.8
Percentage of revenue	50.4%	45.2%			49.5%	44.9%		

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. Sales and marketing expenses increased $12.2 million, or 55.0%, to $34.4 million from $22.2 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $4.6 million, additional spend to support revenue growth of $4.7 million in various areas including, but not limited to marketing, travel, contracting services as well as expenses related to the acquisition of Feedonomics of $2.9 million. As a percentage of total revenue, sales and marketing expenses increased to 50.4% from 45.2%, primarily due to increased marketing spend and travel costs experienced as COVID-19 pandemic restrictions are lifted.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. Sales and marketing expenses increased $23.5 million, or 54.8%, to $66.5 million from $43.0 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $9.3 million, additional spend to support revenue growth of $9.0 million in various areas including, but not limited to marketing, travel, contracting services as well as expenses related to the acquisition of Feedonomics of $5.2 million. As a percentage of total revenue, sales and marketing expenses increased to 49.5% from 44.9%, primarily due to increased marketing spend and travel costs experienced as COVID-19 pandemic restrictions are lifted.

Research and development

	Three months ended June 30, 2022	Three months ended June 30, 2021	Change Amount	Change %	Six months ended June 30, 2022	Six months ended June 30, 2021	Change Amount	Change %
	(dollars in thousands)							
Research and development	$ 22,394	$ 14,725	$ 7,669	52.1	$ 43,339	$ 28,260	$ 15,079	53.4
Percentage of revenue	32.8%	30.0%			32.3%	29.5%		

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. Research and development expenses increased $7.7 million, or 52.1%, to $22.4 million from $14.7 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $5.6 million, and expenses related to the acquisition of Feedonomics of $3.0 million partially offset by an increase in internally developed software capitalization of $0.9 million. As a percentage of total revenue, research and development expenses increased to 32.8% from 30.0%, primarily due to increased investment in product development.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. Research and development expenses increased $15.0 million, or 53.4%, to $43.3 million from $28.3 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $10.2 million, and expenses related to the acquisition of Feedonomics of $5.7 million partially offset by an increase in internally developed software capitalization of $0.9 million. As a percentage of total revenue, research and development expenses increased to 32.3% from 29.5%, primarily due to increased investment in product development.

General and administrative

	Three months ended June 30, 2022	Three months ended June 30, 2021	Change Amount	Change %	Six months ended June 30, 2022	Six months ended June 30, 2021	Change Amount	Change %
	(dollars in thousands)							
General and administrative	$ 19,211	$ 13,110	$ 6,101	46.5	$ 36,523	$ 24,718	$ 11,805	47.8
Percentage of revenue	28.2%	26.7%			27.2%	25.8%		

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. General and administrative expenses increased $6.1 million, or 46.5%, to $19.2 million from $13.1 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $3.5 million, increased spend of $1.5 million in various areas including, but not limited to audit fees, insurance, contracting services as well as expenses related to the acquisition of Feedonomics of $1.1 million.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. General and administrative expenses increased $11.8 million, or 47.8%, to $36.5 million from $24.7 million, primarily due to higher staffing costs, including stock-based compensation expense and allocated costs of $6.9 million, increased spend of $2.7 million in various areas, including but not limited to audit fees, insurance, contracting services as well as expenses related to the acquisition of Feedonomics of $2.2 million.

Acquisition related expenses

Acquisition related expense was $12.5 million and $25.2 million for the three and six-month periods ended June 30, 2022, primarily as a result of acquisition related compensation in conjunction with our business combination and was insignificant for the three and six-month periods ended June 30, 2021.

Interest income

Interest income was $0.6 million and $0.7 million for the three and six-month periods ended June 30, 2022 and was insignificant for the three and six-month periods ended June 30, 2021.

Interest expense

Interest expense was $0.7 million and $1.4 million for the three and six-month periods ended June 30, 2022 and was insignificant for the three and six-month periods ended June 30, 2021.

Other expense

Other expense was insignificant for the three and six-month periods ended June 30, 2022 and 2021.

Provision for income taxes

Our provision for income taxes was insignificant in the three and six-month periods ended June 30, 2022 and 2021.

Liquidity and capital resources

We have incurred losses since our inception and anticipate continuing to generate negative operating cash flow, however we believe we have sufficient cash and cash equivalents and marketable securities to continue to fund operations. During the year ended December 31, 2021, we issued approximately $335.0 million in convertible debt, net of offering costs and used $35.6 million of the proceeds to enter into capped call transactions.

Our operational short-term liquidity needs primarily include working capital for sales and marketing, research and development, and continued innovation. We have generated significant operating losses and negative cash flows from operations as reflected in our accumulated deficit and condensed consolidated statements of cash flows. We expect to continue to incur operating losses and negative cash flows from operations in the future and may require additional capital resources to execute strategic initiatives to grow our business. Our future capital requirements will depend on many factors, including our growth rate, levels of revenue, the expansion of sales and marketing activities, market acceptance of our platform, the results of business initiatives, the timing of new product introductions, and the continued impact of the COVID-19 pandemic on the global economy and our business, financial condition, and results of operations.

We believe that our existing cash and cash equivalents and our cash flows from operating activities will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months. In the future, we may attempt to raise additional capital through the sale of additional equity or debt financing. In particular, our acquisition of Feedonomics also requires up to $65.0 million in two annual installments of up to $32.5 million each, within ten business days after the first and second anniversary dates of the acquisition, or the earlier achievement of certain product and financial milestones. We may elect, in our sole discretion, to make these post-closing payments partially or entirely in cash or shares of BigCommerce common stock. We elected to make the first post-closing payment in cash but preserve the election to make the second anniversary payment in either cash or shares. If we choose to issue stock to settle these payments, we will be required to register these shares with the Securities and Exchange Commission. The sale of additional equity would be dilutive to our stockholders. Additional debt financing could result in increased debt service obligations and more restrictive financial and operational covenants. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition could be adversely affected.

Cash flows

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	(in thousands)			
Net cash used in operating activities	$ (13,877)	$ (4,648)	$ (35,860)	$ (17,406)
Net cash used in investing activities	$ (16,042)	$ (13,187)	$ (40,855)	$ (32,041)
Net cash provided by (used in) financing activities	$ (290)	$ 1,127	$ (108)	$ 2,868
Net decrease in cash, cash equivalents and restricted cash	$ (30,209)	$ (16,708)	$ (76,823)	$ (46,579)

As of June 30, 2022, we had $360.0 million in cash, cash equivalents, restricted cash and marketable securities, an increase of $155.6 million compared to $204.4 million as of June 30, 2021. Cash and cash equivalents consist of highly-liquid investments with original maturities of less than three months. Our restricted cash balance of $1.3 million and $1.2 million at June 30, 2022 and 2021 respectively, consists of security deposits for future chargebacks and amounts on deposit with certain financial institutions. Our marketable securities balance of $138.1 million and $30.4 million at June 30, 2022 and 2021 respectively, consists of investments in debt securities. We maintain cash account balances in excess of FDIC-insured limits.

Operating activities

Net cash used in operating activities for the three months ended June 30, 2022 and 2021 was $13.9 million and $4.6 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.

Net cash used in operating activities for the six months ended June 30, 2022 and 2021 was $35.9 million and $17.4 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 June 30, 2022 and 2021 was $16.0 million and $13.2 million, respectively. In the three months ended June 30, 2022, this consists primarily of the cash paid for the acquisition of Bundle B2B of $0.7 million, the purchases of marketable securities of $46.8 million and the purchases of property and equipment of $2.1 million offset by the maturity of marketable securities of $33.6 million. In the three months ended June 30, 2021, this consisted primarily of purchases of marketable securities of $12.0 million and the purchases of property and equipment of $1.2 million.

Net cash used in investing activities during the six months ended June 30, 2022 and 2021 was $40.9 million and $32.0 million, respectively. In the six months ended June 30, 2022, this consists primarily of the cash paid for the acquisition of Bundle B2B of $0.7 million, the purchases of marketable securities of $79.3 million and the purchases of property and equipment of $3.5 million offset by the maturity of marketable securities of $42.6 million. In the six months ended June 30, 2021, this consisted primarily of purchases of marketable securities of $30.4 million and the purchases of property and equipment of $1.6 million.

Financing activities

Net cash used by financing activities during the three months ended June 30, 2022 was $0.3 million. This was attributable to the issuance of shares of common stock pursuant to the exercise of stock options to cover taxes that used $0.3 million.

Net cash provided by financing activities during the three months ended June 30, 2021 was $1.1 million. This was attributable to the issuance of shares of common stock pursuant to the exercise of stock options provided $1.1 million.

Net cash used by financing activities during the six months ended June 30, 2022 was $0.1 million. This was attributable to the issuance of shares of common stock pursuant to the exercise of stock options to cover taxes that used $0.1 million.

Net cash provided by financing activities during the six months ended June 30, 2021 was $2.9 million This was attributable to the issuance of shares of common stock pursuant to the exercise of stock options provided $2.9 million.

Indebtedness

2021 Convertible senior notes

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

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

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

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

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

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

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

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements as of June 30, 2022 or as of December 31, 2021.

Critical accounting policies and estimates

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

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in “Management's Discussion and Analysis of Financial Condition and Results of Operations” set forth in our Annual Report on Form 10-K for the year ended December 31, 2021.

While our significant accounting policies are described in the notes to our included consolidated financial statements, we believe the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Recent accounting pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate risk

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

Foreign currency exchange risk

All of our revenue and a majority of our expense and capital purchasing activities for the year ended December 31, 2021 were transacted in U.S. dollars. As we expand our sales and operations internationally, we will be more exposed to changes in foreign exchange rates. Our international revenue is currently collected in U.S. dollars. In the future, as we expand into additional international jurisdictions, we expect that our international sales will be primarily denominated in U.S. dollars. If we decide in the future to denominate international sales in currencies other than the U.S. dollar, unfavorable movement in the exchange rates between the U.S. dollar and the currencies in which we conduct foreign sales could have an adverse impact on our revenue.

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

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

Credit risk

Financial instruments that potentially subject us to 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 June 30, 2022, 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 June 30, 2022, 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, 2021 (“Form 10-K”).

As disclosed 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) IT program change management

We did not maintain effective controls over program change management for financially significant applications to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately

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 2022 to dedicate significant efforts and resources to further improve our control environment and is actively taking steps to remediate this material weakness.

Changes in Internal Control over Financial Reporting

Except for changes in connection with the implementation of remediation measures or as described above, there were no changes in our internal control over financial reporting during the three months ended June 30, 2022, 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, we may become involved in litigation related to claims arising from the ordinary course of our business. We believe that there are no claims or actions pending or threatened against us, the ultimate disposition of which would have a material adverse effect on us.

Item 1A. Risk Factors.

Except as set forth below, 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, 2021.

Evolving global laws, regulations and standards on privacy and data security, restrictions on cross-border data transfers, and data localization requirements may limit the use and adoption of our services, expose us to liability, or otherwise adversely affect our business.

Federal, state, or foreign governmental bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the internet as a commercial medium. These laws and regulations could impact taxation, internet neutrality, tariffs, content, copyrights, liability for content, distribution, electronic contracts and other communications, consumer protection, online advertising, and the characteristics and quality of services. Legislators and regulators may make legal and regulatory changes, or apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These laws and regulations and resulting increased costs could materially harm our business, results of operations, and financial condition.

Laws and regulations governing data privacy are constantly evolving. Many of these laws and regulations, including the European Union's General Data Protection Regulation ("GDPR"), the UK General Data Protection Regulation ("UK GDPR") and the California Consumer Privacy Act (the "CCPA"), contain detailed requirements regarding collecting and processing personal information, restrict the use and storage of such information, and govern the need for consumer consent. The California Privacy Rights Act (the "CPRA") amended the CCPA and created additional obligations relating to consumer data beginning on January 1, 2022 with enforcement expected to begin in 2023. Like California, Virginia and Colorado have also enacted new privacy regulations set to come into effect in 2023. Similar laws have been proposed in other states, at the federal level, and in other countries, reflecting a global trend toward more stringent privacy. These laws and regulations could restrict our ability to store and process personal data (in particular, our ability to use certain data for purposes such as risk or fraud avoidance, marketing or advertising), to control our costs by using certain vendors or service providers, and to offer certain services in certain jurisdictions. Such laws and regulations could also restrict our customers' ability to run their businesses; for example, by limiting their ability to effectively market to interested shoppers. This could reduce our revenue and the general demand for our services.

Such laws and regulations may be subject to amendment or re-interpretation, which may cause us to incur significant costs and expend significant effort to ensure compliance. For example, in 2020, the Court of Justice of the European Union (CJEU) invalidated the U.S.-EU Privacy Shield as a basis for transfers of personal data from the EU to the U.S. and introduced requirements to carry out risk assessments in relation to use of other, alternative data transfer mechanisms such as the standard contractual clauses ("SSCs") for personal data transfers. The European Commission has published revised standard contractual clauses for data transfers from the European Economic Area ("EEA"): the revised clauses must be used for relevant new data transfers from September 27, 2021. Existing standard contractual clauses must be migrated to the revised clauses by December 27, 2022.

On March 25, 2022, the European Union and United States announced that they had reached an agreement in principle on a new Trans-Atlantic Data Privacy Framework, which will be translated into legal documents to be adopted in the European Union and United States to provide a renewed basis for transatlantic data transfers. However, if a new transatlantic data transfer framework is not adopted we may be unable to continue to rely on SCCs or rely upon other alternative means of data transfers from the European Union to the United States. Similarly, the UK's Information Commissioner's Office launched a public consultation on its draft revised data transfers mechanisms in August 2021. Implementing updated data transfer documentation, whether in the EEA or UK, adds complexity that may hinder or delay the contracting process with our customers and vendors.

This may increase regulatory and compliance burdens and lead to uncertainty about or interruptions of personal data transfers from Europe to the United States (and beyond). Use of common data transfer mechanisms now involves additional compliance steps and in the event any court blocks personal data transfers to or from a particular jurisdiction on the basis that certain or all such transfer mechanisms are not legally adequate. This could give rise to operational interruption in the performance of services for customers and internal processing of employee information, greater costs to implement alternative data transfer mechanisms that are still permitted, regulatory liabilities, or reputational harm. In 2022, Austrian and the French data protection supervisory authorities ruled that, under certain circumstances, use of Google Analytics by European website operators unlawfully transferred personal data to the United States; other EU supervisory authorities may reach similar conclusions. Similarly, in July 2022, the Irish Data Protection Commission (IDPC) was reported to have shared with other European regulators a draft decision that Facebook's transfers of European Facebook user data from the European Union to the United States should be suspended. Facebook relies on the SCCs for international data transfers and a decision against Facebook could more broadly revoke or curtail the use of the SCCs as a valid transfer mechanism. We rely on the SSCs for many international data transfers and this may impact our platform, services and business tools we use and adversely impact us to the extent such decisions are perceived as more broadly applicable to transfers of personal data from Europe to the United States. Our response to these requirements globally may not meet the expectations of individual customers, their shoppers, or other stakeholders, which could reduce the demand for our services. Some customers or other service providers may respond to these evolving laws and regulations by asking us to make certain privacy or data-related contractual commitments that we are unable or unwilling to make. This could lead to the loss of current or prospective customers or other business relationships.

Our current operations are international in scope, and we plan further geographic expansion. This will create a variety of operational challenges. We are subject to risks from geopolitical crises, such as the Russian invasion of Ukraine.

A component of our growth strategy involves the further expansion of our operations and customer base internationally. In the case of the two most recent fiscal years, approximately 20 percent of our revenue has been generated from customers outside the United States. We currently have locations in the United States, Australia, the United Kingdom ("UK"), Singapore, and Ukraine. We are continuing to adapt and develop strategies to address international markets, but such efforts may not be successful. In addition, the COVID-19 pandemic and related stay-at-home, business closure, and other restrictive orders and travel restrictions in the US, EMEA, Australia and Asia, may pose additional challenges for international expansion and may impact our ability to launch new locations and further expand geographically.

We have a significant number of employees outside of the United States. We expect that our international activities will continue to grow over the foreseeable future as we continue to pursue opportunities in existing and new international markets. This will require significant management attention and financial resources. We may face difficulties, including: geopolitical crises, such as the Russian invasion of Ukraine, costs associated with developing software and providing support in many languages, varying seasonality patterns, potential adverse movement of currency exchange rates, longer payment cycles and difficulties in collecting accounts receivable, tariffs and trade barriers, a variety of regulatory or contractual limitations on our ability to operate, adverse tax events, reduced protection of intellectual property rights, a geographically and culturally diverse workforce and customer base, and travel restrictions associated with the COVID-19 pandemic. Failure to overcome any of these difficulties could negatively affect our results of operations.

Our current international operations and future initiatives involve a variety of risks, including:

- geopolitical crises, such as the Russian invasion of Ukraine and other escalating global tensions that could lead to disruption, instability and volatility in global markets and industries;
- changes in a country's or region's political or economic conditions;
- the need to adapt and localize our platform for specific countries;
- greater difficulty collecting accounts receivable and longer payment cycles;
- potential changes in trade relations arising from policy initiatives critical of existing and proposed trade agreements;
- unexpected changes in laws, regulatory requirements, taxes, or trade laws;
- more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, increasingly common around the globe;
- differing labor regulations, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances (including in a work-from-home environment), including the need to implement appropriate systems, policies, benefits, and compliance programs;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;

- increased travel, real estate, infrastructure, and legal compliance costs associated with international operations;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties enforcing our intellectual property;
- political instability or terrorist activities;
- risks related to global health epidemics, such as the COVID-19 pandemic, including restrictions on our ability and our customers' ability to travel, disruptions in our customers' ability to distribute products, and temporary closures of our customers' facilities;
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the UK Bribery Act of 2010, the UK Proceeds of Crime Act 2002, and similar laws and regulations in other jurisdictions;
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash; and
- our limited experience in operating our business internationally increases the risk that future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully, our business and operating results will suffer.

Unfavorable conditions in our industry or the global economy, or reductions in IT spending, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for our platform. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the global economy or individual markets, including changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, natural catastrophes, warfare and terrorist attacks on the United States, Europe, Australia, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including spending on IT and negatively affect our business. In particular, given our investment in our development capabilities in Ukraine, political turmoil, warfare, or terrorist attacks in Ukraine could negatively affect our business. Political and military events in Ukraine, including the ongoing war between Ukraine and Russia, poor relations between the U.S. and Russia, and sanctions by the international community against Russia or separatist areas of Ukraine may also have an adverse impact on our employees, customers, partners, and vendors. In turn, any of these may adversely impact our ability to grow our business and negatively affect our results of operations. To the extent our platform is perceived by customers and potential customers as costly, or too difficult to launch or migrate to, it would negatively affect our growth. Our revenue may be disproportionately affected by delays or reductions in general IT spending. Competitors, many of whom are larger and more established than we are, may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, consolidation in certain industries may result in reduced overall spending on our platform. We cannot predict the timing, strength, or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, including as a result of recent political and military events in Ukraine, our business, results of operations and financial condition could be adversely affected.

Operations at our strategic development center in Kyiv, Ukraine have been impacted as a result of the ongoing military action by Russia in Ukraine and our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy resulting from the war in Ukraine or the unavailability of our personnel in Ukraine.

We have historically operated a strategic development center in Ukraine where we employed 106 individuals as of December 31, 2021. We have also invested significant resources in Ukraine over the last several years. As a result, warfare, political turmoil or terrorist attacks in Ukraine could negatively affect our Ukrainian operations and our business.

As a result of the ongoing war between Russia and Ukraine, we assisted many of our employees in Kyiv in relocating to neighboring countries to the extent they desired to do so. While the war in Ukraine has not had a material negative impact on the Company or its financial performance to date, the ongoing war could cause harm to our employees and otherwise impair their ability to work for extended periods of time, as well as disrupt telecommunications systems, banks, and other critical infrastructure necessary to conduct business in Ukraine and neighboring countries. As the scope and intensity of the war changes rapidly, we are continuing to receive reports on our employees, operations and facilities and monitoring the evolving situation.

The war between Russia and Ukraine has resulted in the imposition of sanctions by the United States, other North Atlantic Treaty Organization ("NATO") member states, as well as non-member states against Russia, certain Russian citizens, and enterprises. More generally, the war has led to and could lead to further disruptions in the global financial markets and economy, including, without limitation, currency volatility, inflation and instability in the global capital markets. In addition, Russia's prior annexation of Crimea, recent recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military interventions in Ukraine have led to sanctions being levied by the United States, European Union and other countries against Russia, with additional potential sanctions threatened and/or proposed. Russia's military incursion and the resulting sanctions could adversely affect the global economy and financial markets and thus could affect our business, operations, operating results and financial condition as well as the price of our common stock. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. The war between Russia and Ukraine could draw military or other intervention from additional countries, which could lead to a much larger war and/or additional sanctions imposed by the United States and other governments that restrict business with specific persons, organizations or countries with respect to certain products or services. Any such disruptions or escalations caused by Russian military action or resulting sanctions may magnify the impact of other risks described in Part I, “Item 1A. Risk Factors” in our 2021 Annual Report on Form 10K.

The risk of cybersecurity incidents has increased in connection with the ongoing war, driven by justifications such as retaliation for the sanctions imposed in conjunction with the war, or in response to certain companies’ continued operations in Russia. For example, the war has been accompanied by cyberattacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations and could increase the frequency and severity of cyber-based attacks against our information technology systems. The proliferation of malware from the war into systems unrelated to the war or cyberattacks against U.S. companies in retaliation for U.S. sanctions against Russia or U.S. support of Ukraine, could also adversely affect our operations.

Even if the war moderates or a resolution between Ukraine and Russia is reached, we expect that we may continue to experience ongoing financial and operational impacts resulting from the war for the foreseeable future as Ukraine rebuilds its economy and infrastructure. Additionally, certain of the economic and other sanctions imposed, or that may be imposed, against Russia may continue for a period of time after any resolution has been reached.

The COVID-19 pandemic continues to present uncertainty regarding our business and may continue to materially and adversely affect our business, financial condition and results of operations.

There is uncertainty regarding the nature and degree of the pandemic’s ongoing impacts on our business. During portions of the pandemic, we experienced heightened revenue growth, as our customers rapidly shifted in response to the increased demand for online shopping alternatives to traditional shopping experiences. We expect that our revenue growth rates may continue to be impacted as consumer behavior evolves in response to the evolving pandemic, traditional retail venues fully reopening and other factors.

In addition, the COVID-19 pandemic, and the actions taken in response to the pandemic, have led to global supply chain challenges, reduced availability of goods and inflation, each of which may impact our customers and could ultimately impact demand for our services. We expect these disruptions and impacts to continue. In response to the COVID-19 pandemic, we have taken a number of actions that have impacted and continue to impact our business, including transitioning employees across all our offices to remote work-from-home arrangements and then hybrid in office and remote work. The COVID-19 pandemic may also disrupt or delay the ability of employees to work because they become sick or are required to care for those who become sick, or for dependents for whom external care is not available. It could cause delays or disruptions in services provided by key suppliers and vendors including supply chain delays, make us, our partners, and our service providers more vulnerable to security breaches, denial of service attacks or other hacking or phishing attacks, or cause other unpredictable effects.

Since the impact of the COVID-19 pandemic is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in our results of operations until future periods. The full impact of the pandemic on our business will continue to depend on future developments, including but not limited to, the emergence of new coronavirus variants, the duration of the pandemic, the actions undertaken to contain the virus or mitigate its impacts, including actions mandated by federal, state and local governments and health authorities and changing public health directives or restrictions, vaccine efficacy against COVID-19 variants, current or future travel restrictions and how quickly and to what extent normal global economic and operating conditions can or will resume, all of which are rapidly evolving and are difficult to predict. Volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause further declines in the price of our common stock.

We may be adversely affected by the effects of inflation.

Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers or if increased prices may lead to decreased spending by our customers. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, shipping costs, supply shortages, increased costs of labor, weakening exchange rates and other similar effects. The Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. In response, market interest rates have risen in recent periods. While the timing and impact of rising interest rates are unknown, a continued increase in market interest rates could have an adverse effect on our cost structure, results of operations and financial condition. As a result of inflation, we have experienced, and may continue to experience, pressure on our business generation and cost of business. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost inflation is incurred.

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

(a) Recent Sales of Unregistered Equity Securities

None.

(b) Use of Proceeds

None.

(c) **Repurchases**

(in thousands)	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may be purchased under the plans or program
April 2022	—	$ -	—	—
May 2022	—	$ -	—	—
June 2022	—	$ -	—	—
Total	—		$ —	$ —

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date
2.1	Asset Purchase Agreement by and among BigCommerce Holdings, Inc, BigCommerce Omni LLC, Feedonomics LLC, and certain other affiliated parties and significant equity holders of Feedonomics LLC, dated July 23, 2021	8-K	001-39423	2.1	July 23, 2021
3.1	Seventh Amended and Restated Certificate of Incorporation of the registrant.	8-K	001-39423	3.1	August 10, 2020
3.2	Amended and Restated Bylaws of the registrant.	8-K	001-39423	3.2	August 10, 2020
4.1	Indenture, dated September 14, 2021 between Registrant and U.S Bank National Association	8-K	001-39423	4.1	September 15, 2021
4.2	Form of certificate representing the 0.25% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.1)	8-K	001-39423	4.1	September 15, 2021
10.1	Form of Capped Call Confirmation	8-K	001-39423	10.1	September 15, 2021
31.1**	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2**	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1†	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document. (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

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

** Filed herewith.

SIGNATURES

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

BigCommerce Holdings, Inc.

Date: August 5, 2022

By: /s/ Brent Bellm

Brent Bellm
President and Chief Executive Officer

Date: August 5, 2022

By: /s/ Robert Alvarez

Robert Alvarez
Chief Financial Officer

Exhibit 31.1

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

I, Brent Bellm, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 5, 2022

By: /s/ Brent Bellm

Brent Bellm
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Robert Alvarez, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 5, 2022

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

Exhibit 32.1

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

In connection with the Quarterly Report of BigCommerce Holdings, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2022, 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: August 5, 2022

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

Date: August 5, 2022

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