

SHOPIFY INC.  
 Form SUPPL  
 February 21, 2018  
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**The information in this preliminary prospectus supplement and the accompanying amended and restated base shelf prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying amended and restated base shelf prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to General Instruction II.L. of Form F-10  
 File No. 333-212751 & File No. 333-218049**

**Subject to Completion, Dated February 20, 2018**

**US\$  
 4,800,000 Class A Subordinate Voting Shares**

This prospectus supplement (the **Prospectus Supplement**), together with the accompanying amended and restated short form base shelf prospectus dated May 17, 2017 (the **Shelf Prospectus**), qualifies the distribution (the **Offering**) of 4,800,000 Class A subordinate voting shares (the **Offered Shares**) in the share capital of Shopify Inc. (the **Company**, **Shopify**, **us** or **we**) at a price of US\$ per Class A Subordinate Voting Share (the **Offering Price**).

Our Class A subordinate voting shares (the **Class A Subordinate Voting Shares**) are listed on the New York Stock Exchange (the **NYSE**) and on the Toronto Stock Exchange (the **TSX**) under the symbol **SHOP**. On February 16, 2018, the closing prices of the Class A Subordinate Voting Shares on the NYSE and the TSX were US\$137.53 and C\$172.60, respectively.

**Price: US\$ per Offered Share**

|                   | <b>Price to<br/>the<br/>Public</b> | <b>Underwriters'<br/>Discounts and<br/>Commissions<sup>(1)</sup></b> | <b>Net<br/>Proceeds<br/>to the<br/>Company</b> |
|-------------------|------------------------------------|--|--|
| Per Offered Share | US\$                               | US\$   | US\$   |
| Total Offering    | US\$                               | US\$   | US\$   |

Notes:

(1) See **Underwriting** beginning on page\_S-9 for additional information regarding underwriting compensation. **An investment in Offered Shares involves significant risks that should be carefully considered by prospective investors before purchasing Offered Shares. The risks outlined in this Prospectus Supplement, the accompanying Shelf Prospectus and in the documents incorporated by reference herein and therein should be carefully reviewed and considered by prospective investors in connection with any investment in Offered Shares. See Cautionary Note Regarding Forward-Looking Information and Risk Factors.**

**Neither the United States Securities and Exchange Commission (the **SEC**) nor any state or Canadian securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus Supplement and the accompanying Shelf Prospectus or determined if this Prospectus**

**Supplement and the accompanying Shelf Prospectus are truthful or complete. Any representation to the contrary is a criminal offence.**

**This Offering is being made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted in the United States and Canada, to prepare this Prospectus Supplement and the accompanying Shelf Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America.**

**Purchasers of the Offered Shares should be aware that the acquisition of such Offered Shares may have tax consequences both in the United States and in Canada. This Prospectus Supplement may not describe these tax consequences fully. See **Certain Canadian Federal Income Tax Considerations** and **Certain U.S. Federal Income Tax Considerations**.**

**The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Canada, that most of its officers and directors are residents of Canada, and that all or a substantial portion of the assets of the Company and said persons are located outside of the United States. See **Enforceability of Civil Liabilities**.**

**CREDIT SUISSE MORGAN STANLEY**

**NATIONAL BANK OF CANADA  
FINANCIAL MARKETS**

The date of this prospectus supplement is \_\_\_\_\_, 2018.

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The Offering is being made concurrently in Canada under the terms of a prospectus supplement and in the United States under the terms of a registration statement on Form F-10 (the Registration Statement ) filed with the SEC.

The Company will use the net proceeds of the Offering as described in this Prospectus Supplement. See Use of Proceeds. All expenses incurred in connection with the preparation and filing of this Prospectus Supplement will be paid by the Company.

**All dollar amounts in this Prospectus Supplement are in United States dollars, unless otherwise indicated. See Currency Presentation and Exchange Rate Information.**

The Offering is being made concurrently in the United States and in each of the provinces and territories of Canada, other than Québec. The Offered Shares will be offered by Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, and National Bank of Canada Financial Inc. (collectively, the Underwriters ). The Offered Shares will be offered in the United States through certain of the Underwriters, either directly or indirectly, through their respective U.S. broker-dealer affiliates or agents. The Offered Shares will be offered in each of the provinces and territories of Canada, other than Québec, through certain of the Underwriters or their Canadian affiliates who are registered to offer the Offered Shares for sale in such provinces and territories, or through such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer Offered Shares outside of the United States and Canada. See Underwriting.

The Company has two classes of issued and outstanding shares: the Class A Subordinate Voting Shares and the Class B multiple voting shares. The Class B multiple voting shares carry a greater number of votes per share relative to the Class A Subordinate Voting Shares. The Class A Subordinate Voting Shares are therefore restricted securities within the meaning of such term under applicable Canadian securities laws. The Class A Subordinate Voting Shares and the Class B multiple voting shares are substantially identical with the exception of the multiple voting and conversion rights attached to the Class B multiple voting shares. Each Class A Subordinate Voting Share is entitled to one vote and each Class B multiple voting share is entitled to ten votes on all matters requiring shareholder approval, and holders of Class A Subordinate Voting Shares and Class B multiple voting shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by our restated articles of incorporation. The Class B multiple voting shares are convertible into Class A Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The holders of Class A Subordinate Voting Shares benefit from contractual provisions that give them certain rights in the event of a take-over bid for the Class B multiple voting shares. See Description of the Share Capital of the Company–Take-Over Bid Protection in the Shelf Prospectus. Upon completion of the Offering and assuming no issuances of Class A Subordinate Voting Shares or Class B multiple voting shares as a result of the exercise of options or conversion of shares, the Company's issued and outstanding share capital will consist of 92,190,322 Class A Subordinate Voting Shares and 12,811,787 Class B multiple voting shares. See Description of the Share Capital of the Company in the Shelf Prospectus.

The Underwriters, as principals, conditionally offer the Offered Shares qualified under this Prospectus Supplement, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement, as described under Underwriting. The validity of the Class A Subordinate Voting Shares being offered by this Prospectus Supplement and other legal matters concerning the Offering relating to Canadian law will be passed upon for us by Stikeman Elliott LLP. Certain legal matters in connection with the Offering relating to U.S. law will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters in connection with the Offering will be passed upon for the Underwriters by Blake, Cassels & Graydon LLP, with respect to Canadian law, and by Paul, Weiss, Rifkind, Wharton & Garrison LLP, with respect to U.S. law.

In accordance with and subject to applicable laws, the Underwriters may, in connection with this Offering, over-allot or effect transactions that stabilize or maintain the market price of the Offered Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **After the Underwriters have made reasonable efforts to sell the Offered Shares at the Offering Price, the Underwriters may offer the Offered Shares to the public at prices lower than the Offering Price. Any such reduction will not affect the proceeds of this Offering to be received by the Company. See Underwriting.**

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The Company has applied to list the Offered Shares distributed under this Prospectus Supplement on the NYSE and the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the NYSE and of the TSX.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February , 2018, or such earlier or later date as the Company and the Underwriters may agree, but in any event no later than , 2018 (the Closing Date ).

It is expected that the Company will arrange for the instant deposit of the Offered Shares under the book-based system of registration, to be registered to The Depository Trust Company ( DTC ) and deposited with DTC on the Closing Date. No certificates evidencing the Offered Shares will be issued to purchasers of the Offered Shares. Purchasers of the Offered Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a DTC participant and from or through whom a beneficial interest in the Offered Shares is purchased. See Underwriting.

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### **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offering and adds to and updates information contained in the accompanying Shelf Prospectus and the documents incorporated by reference therein. The second part is the Shelf Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the Shelf Prospectus solely for the purpose of this Offering.

Neither we nor the Underwriters have authorized anyone to provide readers with information different from that contained in this Prospectus Supplement and the accompanying Shelf Prospectus (or incorporated by reference herein or therein). We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus Supplement and the accompanying Shelf Prospectus. If the description of the Offered Shares or any other information varies between this Prospectus Supplement and the accompanying Shelf Prospectus (including the documents incorporated by reference herein and therein), you should rely on the information in this Prospectus Supplement. The Offered Shares are not being offered in any jurisdiction where the offer or sale is not permitted.

Readers should not assume that the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Shelf Prospectus or the respective dates of the documents incorporated by reference herein or therein, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Company may have changed since those dates.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering. We do not undertake to update the information contained or incorporated by reference herein or in the Shelf Prospectus, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus Supplement or the accompanying Shelf Prospectus and such information is not incorporated by reference herein or therein.

### **DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Shelf Prospectus solely for the purposes of this Offering.

Copies of the documents incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus may be obtained on request without charge from the Corporate Secretary of the Company at 150 Elgin Street, 8<sup>th</sup> Floor, Ottawa, Ontario, Canada, K2P 1L4, and are also available electronically at [www.sedar.com](http://www.sedar.com) ( SEDAR ) and [www.sec.gov](http://www.sec.gov) ( EDGAR ).

The following documents, filed by the Company with securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the accompanying Shelf Prospectus:

- (a) Shopify's audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016, together with the related notes thereto (the 2017 Annual Financial Statements ), management's annual report on internal control over financial reporting and the auditors' report thereon;
- (b)



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- Shopify's Management's Discussion and Analysis for the year ended December 31, 2017 (the 2017 Annual MD&A );
- (c) Shopify's Annual Information Form dated February 15, 2018 (the Annual Information Form ); and
- (d) Shopify's Management Information Circular dated May 2, 2017 in connection with the annual general meeting of the shareholders of Shopify held on June 7, 2017.

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**Any statement contained in this Prospectus Supplement, in the accompanying Shelf Prospectus or in any document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in the accompanying Shelf Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein or in the accompanying Shelf Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus Supplement.**

Any document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements (in each case, including exhibits containing updated earnings coverage information) and the independent auditor's report thereon, management's discussion and analysis and information circulars of the Company, filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and during the period that this Prospectus Supplement is effective, shall be deemed to be incorporated by reference into this Prospectus Supplement. In addition, all documents filed on Form 6-K or Form 40-F by the Company with the SEC on or after the date of this Prospectus Supplement shall be deemed to be incorporated by reference into the Registration Statement, of which this Prospectus Supplement forms a part, if and to the extent, in the case of any Report on Form 6-K, expressly provided in such document. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein.

References to our website in any documents that are incorporated by reference into this Prospectus Supplement and the Shelf Prospectus do not incorporate by reference the information on such website into this Prospectus Supplement or the Shelf Prospectus, and we disclaim any such incorporation by reference.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus Supplement, the accompanying Shelf Prospectus, and the documents incorporated herein and therein by reference contain forward-looking statements about Shopify's business outlook, objectives, strategies, plans, strategic priorities and results of operations as well as other statements that are not historical facts. A statement Shopify makes is forward-looking when it uses what Shopify knows and expects today to make a statement about the future. In some cases, you can identify forward-looking statements by words such as *may*, *might*, *will*, *should*, *could*, *expects*, *intends*, *plans*, *anticipates*, *believes*, *estimates*, *predicts*, *projects*, *potential*, *continue*, or *other* terms or other similar words. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. All such forward-looking statements are made under the provisions of the United States *Private Securities Litigation Reform Act of 1995*, Section 27A of the United States *Securities Act of 1933*, as amended (the *Securities Act*), and Section 21E of the United States *Securities Exchange Act of 1934*, as amended (the *Exchange Act*), and constitute forward-looking information within the meaning of applicable Canadian securities legislation.

Specifically, without limiting the generality of the foregoing, all statements included in this Prospectus Supplement and in the accompanying Shelf Prospectus, including the documents incorporated by reference herein and therein, that address activities, events or developments that Shopify expects or anticipates will or may occur in the future, and other statements that are not historical facts, are forward-looking statements. These statements are based upon our management's perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks,

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uncertainties and other factors, including but not limited to the risks described in detail in the section entitled "Risk Factors" and elsewhere in documents incorporated by reference herein, that may cause our actual results to be materially different from any future results expressed or implied by these forward-looking statements. Accordingly, prospective purchasers should not place undue reliance on the forward-looking statements contained in this Prospectus Supplement and the Shelf Prospectus, or in the documents incorporated by reference herein or therein.

Forward-looking statements made in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated herein and therein by reference are based on a number of assumptions that Shopify believed were reasonable on the day it made the forward-looking statements. Refer to the documents incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus for certain assumptions that Shopify has made in preparing forward-looking statements. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

The forward-looking statements in this Prospectus Supplement and the accompanying Shelf Prospectus represent our views as of the date hereof and thereof and forward-looking statements contained in the documents incorporated herein and therein by reference represent our views as of the date of such documents, unless otherwise indicated in such documents. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law.

Prospective purchasers are cautioned that the risks referred to above are not the only ones that could affect Shopify. Additional risks and uncertainties not currently known to Shopify or that Shopify currently deems to be immaterial may also have a material adverse effect on Shopify's financial position, financial performance, cash flows, business or reputation.

## **ENFORCEABILITY OF CIVIL LIABILITIES**

We are a corporation incorporated under and governed by the *Canada Business Corporations Act* (the "CBCA"). Most of our directors and officers reside principally in Canada, and the majority of our assets and all or a substantial portion of the assets of these persons is located outside the United States. The Company has appointed an agent for service of process in the United States; however it may nevertheless be difficult for investors who reside in the United States to effect service of process in the United States upon the Company or any such persons, or to enforce a U.S. court judgment predicated upon the civil liability provisions of the U.S. federal securities laws against us or any such persons. There is substantial doubt whether an action could be brought in Canada in the first instance predicated solely upon U.S. federal securities laws.

We filed with the SEC, concurrently with our Registration Statement of which this Prospectus Supplement forms a part, an appointment of agent for service of process on Form F-X. Under the Form F-X, we appointed The Corporation Trust Company as our agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC and any civil suit or action brought against or involving us in a United States court arising out of or related to or concerning the offering of securities under this Prospectus Supplement.

## **CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION**

We express all amounts in this Prospectus Supplement in U.S. dollars, except where otherwise indicated. References to "\$" and "US\$" are to U.S. dollars and references to "C\$" are to Canadian dollars.

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The following table sets forth, for the periods indicated, the high, low, average and end of period rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada during the respective periods. Periods prior to January 1, 2017 are based on the noon rate published by the Bank of Canada. Periods from and after January 1, 2017 are based on daily average exchange rate published by the Bank of Canada.

|            | <b>Year Ended</b>   |             |
|------------|---------------------|-------------|
|            | <b>December 31,</b> |             |
|            | <b>2017</b>         | <b>2016</b> |
| High       | 1.3743              | 1.4589      |
| Low        | 1.2128              | 1.2544      |
| Average    | 1.2986              | 1.3248      |
| Period end | 1.2545              | 1.3427      |

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On February 16, 2018, the Bank of Canada rate was \$1.00 = C\$1.2540.

### **WHERE YOU CAN FIND MORE INFORMATION**

Shopify files certain reports with, and furnishes other information to, each of the SEC and certain securities regulatory authorities of Canada. Under a multijurisdictional disclosure system adopted by the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of the provincial and territorial securities regulatory authorities of Canada, which requirements are different from those of the United States. As a foreign private issuer, Shopify is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and Shopify's officers and directors are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. Shopify's reports and other information filed or furnished with or to the SEC are available from EDGAR at [www.sec.gov](http://www.sec.gov), as well as from commercial document retrieval services. You may also read (and by paying a fee, copy) any document Shopify files with or furnishes to the SEC at the SEC's public reference room in Washington, D.C. (100 F Street N.E., Washington, D.C. 20549). Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. You may also inspect Shopify's SEC filings at the NYSE, 20 Broad Street, New York, New York 10005. Shopify's Canadian filings are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Shopify has filed with the SEC under the Securities Act the Registration Statement relating to the securities being offered hereunder, of which this Prospectus Supplement forms a part. This Prospectus Supplement does not contain all of the information set forth in the Registration Statement, certain items of which are contained in the exhibits to the Registration Statement as permitted or required by the rules and regulations of the SEC. Items of information omitted from this Prospectus Supplement but contained in the Registration Statement will be available on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **SHOPIFY INC.**

Shopify is the leading cloud-based, multi-channel commerce platform designed for small and medium-sized businesses (SMBs). Shopify builds web- and mobile-based software that lets merchants easily set up beautiful online storefronts that are rich with retail functionality. Merchants use our software to run their business across all of their sales channels, including web and mobile storefronts, physical retail locations, social media storefronts, and marketplaces. The Shopify platform provides merchants with a single view of their business and customers across all of their sales channels and enables them to manage products and inventory, process orders and payments, ship orders, build customer relationships and leverage analytics and reporting all from one integrated back office.

In an era where social media, cloud computing, mobile devices and data analytics are creating new possibilities for commerce, Shopify provides differentiated value by offering merchants:

*A multi-channel front end.* Our software enables merchants to easily display, manage and sell their products across over a dozen different sales channels, including web and mobile storefronts, physical retail locations, pop-up shops, social media storefronts, such as Facebook and Pinterest, apps, buy buttons, and marketplaces, such as Amazon and eBay. The Shopify API has been developed to support custom storefronts that let merchants sell anywhere, in any language.

*A single integrated back end.* Our software provides one single integrated, easy-to-use back end that merchants use to manage their business and customers across these multiple sales channels. Merchants use their Shopify dashboard to manage products and inventory, process orders and payments, ship orders, build customer relationships, leverage analytics and reporting, and access financing.

*A data advantage.* Our software is delivered to merchants as a service, and operates on a shared infrastructure, and as a result we have amassed tens of billions of data points to date. With each new transaction processed, we grow our data proficiency for SMBs. This cloud-based infrastructure not only relieves merchants from running and securing their own hardware; it also consolidates all the data generated by the billions of interactions between consumers and merchants' shops, as well as those of our merchants on the Shopify platform, providing rich data to inform both our own decisions as well as those of our merchants.

Shopify also enables merchants to build their own brand, leverage mobile technology, and handle massive traffic spikes with flexible infrastructure.

*Brand ownership.* Unlike an online marketplace, Shopify is designed to help our merchants own their brand and make their consumer experience memorable and distinctive. We recognize that in a world where consumers have

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more choices than ever before, a merchant's brand is increasingly important. If a consumer searches a third-party marketplace or ecommerce site and selects a merchant's product from among thousands of search results, the consumer is more likely to remember the brand of the third-party site than the brand of the merchant. The Shopify platform is designed to allow a merchant to keep their brand present in every interaction to help build customer loyalty and competitive advantage against traditional retailers.

*Mobile.* As ecommerce expands as a percentage of overall retail transactions, today's consumers expect to be able to transact anywhere, anytime, on any device through an experience that is simple, seamless and secure. As transactions over mobile devices now represent the majority of transactions across online stores powered by Shopify, the mobile experience is a merchant's primary and most important interaction with online consumers. For several years Shopify has focused on enabling mobile commerce, and the Shopify platform now includes a mobile-optimized checkout system, designed to enable merchants' consumers to more easily buy products over mobile websites. Our merchants are now able to offer their customers the ability to quickly and securely check out by using Shopify Pay and Apple Pay on the web, and we continue to explore other new ways to accelerate checkout. Shopify's mobile capabilities are not limited to the front end: merchants who are often on-the-go find themselves managing their storefronts via their mobile devices, as Shopify continues to strive to make it ever-easier to do so.

*Infrastructure.* We build our platform to address the growing challenges facing merchants with the aim of making complex tasks simple. The Shopify platform is engineered to enterprise-level standards and functionality while being designed for simplicity and ease of use. We also design our platform with a robust technical infrastructure able to manage large spikes in traffic that accompany events such as new product releases, holiday shopping seasons and flash sales. We are constantly innovating and enhancing our platform, with our continuously deployed, multi-tenant architecture ensuring all of our merchants are always using the latest technology.

This combination of ease of use with enterprise-level functionality allows merchants to start with a Shopify store and grow with our platform to almost any size. Using Shopify, merchants may never need to re-platform. Our Shopify Plus subscription plan was created to accommodate larger merchants, with additional functionality, scalability and support requirements. Shopify Plus is also designed for larger merchants not already on Shopify who want to migrate from their expensive and complex legacy solutions and get more functionality.

Our mission is to make commerce better for everyone, and we believe we can help merchants of nearly all sizes and retail verticals realize their potential. While our platform can scale to meet the needs of large merchants, we focus on selling to SMBs and entrepreneurs. As of December 31, 2017, we had over 609,000 merchants from approximately 175 countries using our platform.

Shopify's principal and registered office is located at 150 Elgin Street, 8<sup>th</sup> floor, Ottawa, Ontario, Canada K2P 1L4. Additional information about our business is included in the documents incorporated by reference into this Prospectus Supplement and the Shelf Prospectus.

## **USE OF PROCEEDS**

The net proceeds from the sale of the Offered Shares to be received by us are estimated to be approximately \$      after deducting the Underwriters' discounts and commissions of \$      but before deducting expenses of the Offering.

We currently expect to use the net proceeds from this Offering to strengthen our balance sheet, providing us flexibility to fund our growth strategies that may include: investing in the continued growth of our merchant solutions and subscription solutions offerings; future acquisitions; increasing our investment in sales and marketing, research and development and general and administrative functions; and continuing to invest in our network infrastructure. Pending their use, we intend to invest the net proceeds from this Offering in short-term, investment grade, interest bearing



instruments or hold them as cash.

While we currently anticipate that we will use the net proceeds from the Offering as outlined above, the actual use of the net proceeds may vary depending upon numerous factors, including but not limited to our operating costs and capital expenditure requirements, our strategy relative to the market and other conditions in effect at the time. See Risk Factors .

#### **DESCRIPTION OF THE SHARE CAPITAL OF THE COMPANY**

Our authorized share capital consists of an unlimited number of Class A Subordinate Voting Shares, of which 87,390,322 were issued and outstanding as of February 16, 2018, an unlimited number of Class B multiple voting

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shares, of which 12,811,787 were issued and outstanding as of February 16, 2018, and an unlimited number of preferred shares, issuable in series, none of which were issued and outstanding as of February 16, 2018.

The Class B multiple voting shares carry a greater number of votes per share relative to the Class A Subordinate Voting Shares. The Class A Subordinate Voting Shares are therefore restricted securities within the meaning of such term under applicable Canadian securities laws. We are entitled to file this Prospectus Supplement and the Shelf Prospectus on the basis that we comply with Section 12.3(b) of National Instrument 41-101 – *General Prospectus Requirements*.

Except as described in the Shelf Prospectus, the Class A Subordinate Voting Shares and the Class B multiple voting shares have the same rights, are equal in all respects and are treated by the Company as if they were one class of shares. See Description of the Share Capital of the Company in the Shelf Prospectus for a detailed description of the attributes of our Class A Subordinate Voting Shares and Class B multiple voting shares.

**CONSOLIDATED CAPITALIZATION**

The following table sets forth the consolidated capitalization of the Company based on its 2017 Annual Financial Statements on (i) an actual basis and (ii) an as-adjusted basis to give effect to the Offering and the use of the net proceeds to the Company therefrom. This table should be read in conjunction with the 2017 Annual Financial Statements and the 2017 Annual MD&A, each of which is incorporated by reference in this Prospectus Supplement. There have been no material changes in the Company's share and loan capital since December 31, 2017.

|  | <b>As at December 31,<br/>2017</b> |                        |
|--|------------------------------------|------------------------|
|  | <b>Actual</b>                      | <b>As<br/>Adjusted</b> |
|  | <b>(\$ millions)</b>               |                        |
| Cash, cash equivalents and marketable securities                       | \$ 938.0                           | \$                     |
| Long-term debt   |                                    | —                      |
| Shareholders' equity   |                                    |                        |
| — Class A Subordinate Voting Shares and Class B multiple voting shares | \$ 1,077.5                         | \$                     |
| — Additional paid-in-capital   | 43.4                               |                        |
| — Accumulated deficit and accumulated other comprehensive income       | (119.8)                            |                        |
| — Total shareholders' equity   | 1,001.1                            |                        |
| Consolidated capitalization  | \$ 1,001.1                         | \$                     |

**DIVIDEND POLICY**

We have never declared or paid any dividends on our securities. We do not have any present intention to pay cash dividends on our Class A Subordinate Voting Shares and we do not anticipate paying any cash dividends on our Class A Subordinate Voting Shares in the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. However, any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors and will depend on our financial condition, operating results, contractual

restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

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We adopted a Fourth Amended and Restated Incentive Stock Option Plan (the Legacy Option Plan). Each option granted under our Legacy Option Plan is exercisable for one Class B multiple voting share. The Class B multiple voting shares are convertible into Class A Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. No further awards will be made under the Legacy Option Plan, as all stock option awards made after the completion of our initial public offering, which was completed in May 2015, have been and will be made under our new stock option plan (the Stock Option Plan). Each option granted under the Stock Option Plan is exercisable for one Class A Subordinate Voting Share. We also have a long-term incentive plan (the LTIP) which provides for the grant of share units (LTIP Units), consisting of restricted share units (RSUs), performance share units and deferred share units. Each LTIP Unit represents the right to receive one Class A Subordinate Voting Share in accordance with the terms of the LTIP. For the 12-month period prior to the date hereof, the Company has issued or granted Class A Subordinate Voting Shares and securities convertible into Class A Subordinate Voting Shares as listed in the table set forth below:

| <b>Date</b>                            | <b>Type of Security Issued</b>                                       | <b>Number of Securities Issued</b> | <b>Issuance/Exercise Price per Security (\$)</b>         |
|--|--|------------------------------------|--|
| February 16, 2017 to February 16, 2018 | Options to purchase Class A Subordinate Voting Shares <sup>(1)</sup> | 1,061,478                          | \$74.80 (weighted average exercise price)                |
| February 16, 2017 to February 16, 2018 | RSUs <sup>(2)</sup>  | 1,172,707                          | —  |
| May 24, 2017                           | Class A Subordinate Voting Shares <sup>(3)</sup>                     | 5,500,000                          | \$91.00  |
| June 2, 2017                           | Class A Subordinate Voting Shares <sup>(4)</sup>                     | 825,000                            | \$91.00  |
| February 16, 2017 to February 16, 2018 | Class A Subordinate Voting Shares                                    | 3,729,545 <sup>(5)</sup>           | \$30.94 (weighted average exercise price) <sup>(6)</sup> |
| February 16, 2017 to February 16, 2018 | Class B multiple voting shares <sup>(7)</sup>                        | 2,888,284                          | \$1.25 (weighted average exercise price)                 |

Notes:

(1) Issued under the Stock Option Plan.

(2) Issued under the LTIP.

(3) Issued under a prospectus supplement dated May 18, 2017 to the Company's amended and restated short form base shelf prospectus dated May 17, 2017 (the May 2017 Offering).

(4) Issued pursuant to the exercise of the over-allotment option by the underwriters under the May 2017 Offering.

Includes 422,285 shares issued upon the exercise of options pursuant to the Stock Option Plan, 2,427,324 shares

(5) issued as a result of conversions of Class B multiple voting shares and 879,936 shares issued upon vesting of RSUs pursuant to the LTIP.

(6) Exercise price relates solely to shares issued upon the exercise of options pursuant to the Stock Option Plan.

(7) Issued upon the exercise of options pursuant to the Legacy Option Plan.



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The Class A Subordinate Voting Shares are listed and traded under the symbol **SHOP** on the NYSE and on the TSX.

The following table sets forth, for the periods indicated, the high and low trading prices in U.S. dollars and trading volumes of the Class A Subordinate Voting Shares on the NYSE.

| <b>Month</b>  | <b>Price per<br/>Class A<br/>Subordinate<br/>Voting Share<br/>(\$)<br/>Monthly High</b> | <b>Price per<br/>Class A<br/>Subordinate<br/>Voting Share<br/>(\$)<br/>Monthly Low</b> | <b>Class A<br/>Subordinate<br/>Voting Share<br/>Total Volume<br/>for Period</b> |
|---------------|---|--|---|
| February 2017 | 64.36   | 50.62  | 28,813,329  |
| March 2017    | 73.00   | 58.63  | 32,891,421  |
| April 2017    | 78.19   |  |   |