SHOPIFY INC.
Form SUPPL
August 17, 2016
TABLE OF CONTENTS

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

US$286,875,000

7,500,000 Class A Subordinate Voting Shares

This prospectus supplement (the Prospectus Supplement), together with the accompanying short form base shelf prospectus dated August 5, 2016 (the Shelf Prospectus), qualifies the distribution (the Offering) of Class A subordinate voting shares (the Class A Subordinate Voting Shares) in the share capital of Shopify Inc. (the Company , Shopify , us or we) at a price of $38.25 per Class A Subordinate Voting Share (the Offering Price). An aggregate of 7,500,000 Class A Subordinate Voting Shares are being distributed under this Prospectus Supplement. The Offering consists of a treasury offering by us of 5,000,000 Class A Subordinate Voting Shares (the Treasury Shares) and a secondary offering by the Selling Shareholders (as defined herein) of an aggregate of 2,500,000 Class A Subordinate Voting Shares (the Secondary Shares , and together with the Treasury Shares, the Offered Shares).

Our Class A Subordinate Voting Shares are listed on the New York Stock Exchange (the NYSE) under the symbol SHOP and on the Toronto Stock Exchange (the TSX) under the symbol SH . On August 16, 2016, the closing prices of the Class A Subordinate Voting Shares on the NYSE and the TSX were $38.37 and C$49.38, respectively.

Price: US$38.25 per Offered Share

	Price to the Public	Underwriters' Discounts and Commissions[(1)]	Net Proceeds to the Company	Net Proceeds to the Selling Shareholders
Per Offered Share	US$38.25	US$1.43	US$36.82	US$36.82
Total Offering	US$286,875,000	US$10,757,813	US$184,078,125	US$92,039,063

Notes:

(1) See Underwriting beginning on page S-10 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 annual financial statements and our interim 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 for U.S. Residents .

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 .

MORGAN STANLEY	**CREDIT SUISSE**		**RBC CAPITAL MARKETS**
CANACCORD GENUITY	**PACIFIC CREST SECURITIES a division of KeyBanc Capital Markets**	**PIPER JAFFRAY**	**RAYMOND JAMES**

The date of this prospectus supplement is August 16, 2016.

TABLE OF CONTENTS

The Offering is being made concurrently in Canada under the terms of this 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 of Treasury Shares as described in this Prospectus Supplement. See Use of Proceeds . We will not receive any proceeds from the sale of Secondary Shares by the Selling Shareholders. See The Selling Shareholders . 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. The Offered Shares will be offered by Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC, RBC Dominion Securities Inc., Pacific Crest Securities, a division of KeyBanc Capital Markets Inc., Raymond James & Associates, Inc., Canaccord Genuity Inc. and Piper Jaffray & Co. (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 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 exercise of the Over-Allotment Option or other 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 74,392,501 Class A Subordinate Voting Shares and 13,062,074 Class B multiple voting shares. See Description of the Share Capital of the Company in the Shelf Prospectus.

The Secondary Shares will be severally sold by Bessemer Venture Partners VII L.P.; Bessemer Venture Partners VII Institutional L.P.; BVP VII Special Opportunity Fund L.P.; an entity controlled by Tobias Lütke, our Chief Executive Officer; Russell Jones, our Chief Financial Officer; an entity owned by an entity of which Harley Finkelstein, our Chief Operating Officer, is a trustee; an entity owned by an entity of which Daniel Weinand, our Chief Design Officer, is a trustee; Craig Miller, our Chief Marketing Officer; Joseph Frasca, our Senior Vice-President, General Counsel and Secretary; Brittany Forsyth, our Senior Vice-President of Human Relations; and Toby Shannan, our Senior Vice-President of Support (collectively, the Selling Shareholders). The Selling Shareholders currently own,

control or direct an aggregate of approximately 9.93% of our issued and outstanding Class A Subordinate Voting Shares and 63.17% of our issued and outstanding Class B multiple voting shares, collectively representing approximately 45.36% of the voting power attached to all of our issued and outstanding shares. After giving effect to the Offering and assuming no exercise of the Over-Allotment Option and no other 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 other than by the Selling Shareholders, the Selling Shareholders will own, control or direct

TABLE OF CONTENTS

an aggregate of approximately 6.87% of our issued and outstanding Class A Subordinate Voting Shares and 61.54% of our issued and outstanding Class B multiple voting shares, collectively representing approximately 41.70% of the voting power attached to all of our issued and outstanding shares. See The Selling Shareholders .

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 or the Selling Shareholders. See Underwriting .**

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

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 August 22, 2016, or such earlier or later date as the Company, the Selling Shareholders and the Underwriters may agree, but in any event no later than August 29, 2016 (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 .

Unless otherwise indicated, the disclosure contained in this Prospectus Supplement assumes that the Over-Allotment Option has not been exercised.

TABLE OF CONTENTS

TABLE OF CONTENTS FOR THIS PROSPECTUS SUPPLEMENT

TABLE OF CONTENTS FOR THE BASE SHELF PROSPECTUS

TABLE OF CONTENTS

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.

We and the Selling Shareholders have not, and the Underwriters have not, 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. Other documents are also incorporated, or are deemed to be incorporated by reference, into the Shelf Prospectus and reference should be made to the Shelf Prospectus for full particulars thereof.

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, 8th Floor, Ottawa, Ontario, Canada, K2P 1L4, and are also available electronically at www.sedar.com (SEDAR) and 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 December 31, 2015 and December 31, 2014 and for each of the three years in the period ended December 31, 2015, together with the notes thereto and the auditors' report thereon;

(b) Shopify's Management's Discussion and Analysis for the year ended December 31, 2015 (the 2015 Annual MD&A);

(c) Shopify's annual report on Form 20-F dated February 16, 2016 for the year ended December 31, 2015 (which, for purposes of applicable Canadian securities laws, constitutes our annual information form) (the Annual Report);

(d) Shopify's Management Information Circular dated May 4, 2016 in connection with the annual general meeting of the shareholders of Shopify held on June 8, 2016;

(e) Shopify's unaudited interim condensed consolidated financial statements for the six-month periods ended June 30, 2016 and 2015, together with the notes thereto (the Q2 2016 Financial Statements); and

TABLE OF CONTENTS

(f) Shopify's Management's Discussion and Analysis for the six-month periods ended June 30, 2016 and 2015 (the Q2 2016 MD&A).

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.

MARKETING MATERIALS

Before filing the final prospectus supplement in respect of this Offering, we and the Underwriters held road shows that potential investors in the United States and in certain of the provinces and territories of Canada were able to attend. We and the Underwriters provided marketing materials to those potential investors in connection with those road shows.

In doing so, we and the Underwriters are relying on a provision in applicable Canadian securities legislation that allows issuers in certain U.S. cross-border offerings to not have to file marketing materials relating to those road shows on the SEDAR website at www.sedar.com or include or incorporate by reference those marketing materials in the final prospectus supplement in respect of this Offering. To rely on this exemption, we and the Underwriters must give contractual rights to Canadian investors in the event the marketing materials contain a misrepresentation.

Accordingly, we and the Underwriters signing the certificate contained in this Prospectus Supplement in respect of this Offering have agreed that in the event the marketing materials relating to the road shows described above contain a misrepresentation (as defined in securities legislation in each of the provinces and territories of Canada, other than Québec), a purchaser resident in a province or territory of Canada, other than Québec, who was provided with those marketing materials in connection with the road shows and who purchases Offered Shares under this Prospectus Supplement in respect of this Offering during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against us and each such Underwriter with respect to

TABLE OF CONTENTS

the misrepresentation which are equivalent to the rights under the securities legislation of the jurisdiction of Canada where the purchaser is resident, subject to the defences, limitations and other terms of that legislation, as if the misrepresentation was contained in this Prospectus Supplement in respect of this Offering.

However, this contractual right does not apply (i) to the extent that the contents of the marketing materials relating to the road shows have been modified or superseded by a statement in this Prospectus Supplement in respect of this Offering, and (ii) to any comparables (as such term is defined in National Instrument 41-101 - *General Prospectus Requirements*) in the marketing materials provided in accordance with applicable securities legislation.

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 , cou expects , intends , plans , anticipates , believes , estimates , predicts , projects , potential , continue , or t 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 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, 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 in 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.

TABLE OF CONTENTS

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. Additionally, except for Bessemer Venture Partners VII L.P., Bessemer Venture Partners VII Institutional L.P. and BVP VII Special Opportunity Fund L.P., each of the Selling Shareholders reside principally in Canada, and all or a substantial portion of their assets is located outside the United States. The Company has appointed an agent for service of process in the United States. It may be difficult for investors who reside in the United States to effect service of process in the United States upon the Company and the Selling Shareholders who reside principally in Canada, 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 of these 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.

The following table sets forth, for the periods indicated, the high, low, average and end of period noon rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada during the respective periods.

	Six Months Ended June 30,		Year Ended December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
Highest rate during the period	1.4589	1.2803	1.3990	1.1643	1.0697
Lowest rate during the period	1.2544	1.1728	1.1728	1.0614	0.9839
Average noon spot rate for the period	1.3302	1.2354	1.2787	1.1045	1.0299
Period end	1.3009	1.2474	1.3840	1.1601	1.0636

On August 16, 2016, the Bank of Canada noon rate was $1.00 = C$1.2862.

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, 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.

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

TABLE OF CONTENTS

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.

SHOPIFY INC.

Shopify provides the leading cloud-based, multi-channel commerce platform designed for small and medium-sized businesses. Merchants use our software to run their business across all of their sales channels, including web and mobile storefronts, social media storefronts, and physical retail locations. As the number of channels over which merchants transact continues to expand, the importance of a multi-channel platform that is both fully integrated and easy to use increases. 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. Commerce transacted over mobile devices continues to grow more rapidly than desktop transactions. For several years Shopify has focused on enabling mobile commerce and our merchants will soon be able to offer their customers the ability to quickly and securely check out by using Android Pay or Apple Pay on the web. Using Shopify Mobile, our iPhone and Android application, merchants have the ability to track and manage their business on the go. The Shopify platform has been engineered to enterprise-level standards and functionality while being designed for simplicity and ease-of-use. We have also designed our platform with a robust technical infrastructure able to manage large spikes in traffic and an application ecosystem to integrate additional functionality. 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.

Shopify s principal and registered office is located at 150 Elgin Street, 8th 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.

THE SELLING SHAREHOLDERS

The following table sets out the ownership of Class A Subordinate Voting Shares and Class B multiple voting shares of the Selling Shareholders as of August 12, 2016 and as adjusted to reflect the completion of the Offering (assuming no exercise of the Over-Allotment Option).

	Shares Owned Before the Offering			**Shares Owned Upon Completion of the Offering**			
Name	**Number of Class B Multiple Voting Shares**	**Number of Class A Subordinate Voting Shares**	**Number of Shares Being Sold in the Offering**	**Number of Class B Multiple Voting Shares**	**Number of Class A Subordinate Voting Shares**	**Percentage of Outstanding Shares[1]**	**Percentage of Total Voting Power[1]**
Entities affiliated with Bessemer Venture Partners[2]	—	5,051,882	1,500,000	—	3,551,882	4.06 %	1.73 %
						(3.58 %)	(1.22 %)
Tobias Lütke[3]	8,489,000	160,800	500,000	7,989,000	160,800	9.32 %	39.05 %

						(8.22 %)	(31.54 %)
Harley Finkelstein[4]	—	121,103	100,000	—	21,103	*	*
						(*)	(1.75 %)
Russell Jones[5]	78,116	27,500	100,000	—	27,500	*	*
						(*)	(2.01 %)
Craig Miller[6]	50,000	—	100,000	50,000	—	*	*
						(*)	(2.52 %)
Daniel Weinand[7]	—	1,443,273	100,000	—	1,343,273	1.54 %	*
						(1.35 %)	(*)
Joseph Frasca[8]	—	—	15,000	—	—	—	*
							(*)
Brittany Forsyth[9]	—	4,067	35,000	—	4,067	*	*
						(*)	(*)
Toby Shannan[10]	—	—	50,000	—	—	—	*
							(*)

Notes:

* Less than one percent

TABLE OF CONTENTS

(1) Assumes completion of the Offering and no exercise of the Over-Allotment Option or other 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. Percentages in brackets are on a fully diluted basis.

(2) Reflects shares held, in the aggregate, by BVP VII Special Opportunity Fund L.P. (BVP VII SOF), Bessemer Venture Partners VII L.P. (BVP VII) and Bessemer Venture Partners VII Institutional L.P. (BVP VII Inst. and collectively with BVP VII SOF and BVP VII, the BVP Funds). BVP VII SOF holds 2,728,014 Class A Subordinate Voting Shares. BVP VII holds 1,616,604 Class A Subordinate Voting Shares. BVP VII Inst. holds 707,264 Class A Subordinate Voting Shares. Deer VII & Co. L.P. (Deer VII L.P.) is the general partner of the BVP Funds. Deer VII & Co. Ltd. (Deer VII Ltd.) is the general partner of Deer VII L.P. Each of Deer VII L.P. and Deer VII Ltd. may be deemed to have voting and dispositive power over the shares held by the BVP Funds. J. Edmund Colloton, David J. Cowan, Byron B. Deeter, Robert P. Goodman, Jeremy S. Levine and Robert M. Stavis are the directors of, and have economic interests in, Deer VII Ltd. and as such the directors may be deemed to be beneficial owners (as such term is defined in General Instruction F of Form 20-F) of the shares held by the BVP Funds. Investment and voting decisions with respect to the shares held by the BVP Funds are made by the directors of Deer VII Ltd. acting as an investment committee. 810,000 Class A Subordinate Voting Shares are being sold in this Offering by BVP VII SOF, 480,000 Class A Subordinate Voting Shares are being sold in this Offering by BVP VII, and 210,000 Class A Subordinate Voting Shares are being sold in this Offering by BVP VII Inst.

(3) Consists of 8,489,000 Class B multiple voting shares held by 7910240 Canada Inc. (of which 500,000 are being sold in this Offering), which Tobias Lütke is deemed to beneficially own. Also consists of 160,800 Class A Subordinate Voting Shares held by 7910240 Canada Inc. Tobias Lütke also holds 1,161,977 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. Tobias Lütke is our Chief Executive Officer and a director of Shopify.

(4) Consists of 121,103 Class A Subordinate Voting Shares held directly by Harley Finkelstein (100,000 of which have been or will be transferred to 2480447 Ontario Inc. in connection with the transactions contemplated with respect to the Offering and will be sold in this Offering). 2480447 Ontario Inc. is owned by a trust, of which Harley Finkelstein is a trustee. The 100,000 Class A Subordinate Voting Shares held by 2480447 Ontario Inc. were originally acquired by Harley Finkelstein on January 19, 2016 upon the exercise of options at an exercise price of C$0.16 per share. Harley Finkelstein also holds 494,414 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares; 55,000 stock options issued under our Stock Option Plan that are exercisable into Class A Subordinate Voting Shares; and 66,845 RSUs issued under our Long Term Incentive Plan that vest as Class A Subordinate Voting Shares.

(5) Consists of 78,116 Class B multiple voting shares held directly by Russell Jones (all of which will be sold in this Offering). Also consists of 27,500 Class A Subordinate Voting Shares held in trust by R&J Jones Family Trust, for which Russell Jones serves as trustee. Russell Jones also holds 604,274 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. In connection with this Offering, Mr. Jones is exercising 21,884 of such options and converting the resulting Class B multiple voting shares into Class A Subordinate Voting Shares. The exercise price of these options is $0.152 per share.

(6) Craig Miller also holds 783,246 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. In connection with this Offering, Mr. Miller is exercising 100,000 of such options and converting the resulting Class B multiple voting shares into Class A Subordinate Voting Shares. The exercise price of these options is $0.152 per share.

(7) Consists of 1,334,273 Class A Subordinate Voting Shares held directly by Daniel Weinand and 109,000 Class A Subordinate Voting Shares held by 1950016 Ontario Inc., which is owned by a trust of which Daniel Weinand is a trustee. 100,000 of these shares will be sold in this Offering. Daniel Weinand also holds 80,670 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares; 27,500 stock options issued under our Stock Option Plan that are exercisable into Class A Subordinate Voting Shares; and 33,423 RSUs issued under our Long Term Incentive Plan that vest as Class A Subordinate Voting Shares.

(8)

Joseph Frasca holds 110,335 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. In connection with this Offering, Mr. Frasca is exercising 15,000 of such options and converting the resulting Class B multiple voting shares into Class A Subordinate Voting Shares. The exercise price of these options is $4.22 per share.

(9) Brittany Forsyth also holds 13,500 stock options issued under our Stock Option Plan that are exercisable into Class A Subordinate Voting Shares; 16,712 RSUs issued under our Long Term Incentive Plan that vest as Class A Subordinate Voting Shares; and 104,668 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. In connection with this Offering, Ms. Forsyth is exercising 35,000 of such options and converting the resulting Class B multiple voting shares into Class A Subordinate Voting Shares. 2,959 of these options have an exercise price of $4.22 per share, 7,708 of these options have an exercise price of $0.74 per share and 24,333 of these options have an exercise price of C$0.16 per share.

(10) Toby Shannan holds 292,261 stock options issued under our Legacy Option Plan that are exercisable into Class B multiple voting shares. Mr. Shannan also holds 18,000 stock options issued under our Stock Option Plan that are exercisable into Class A Subordinate Voting Shares and 22,282 RSUs issued under our Long Term Incentive Plan that vest as Class A Subordinate Voting Shares. In connection with this Offering, Mr. Shannan is exercising 50,000 of such options and converting the resulting Class B multiple voting shares into Class A Subordinate Voting Shares. The exercise price of these options is C$0.16 per share.

USE OF PROCEEDS

The net proceeds from the sale of the Treasury Shares to be received by us are estimated to be approximately $184,078,125 (assuming no exercise of the Over-Allotment Option) and $225,495,703 (if the Over-Allotment Option is exercised in full) after deducting the Underwriters fee of $7,171,875 (assuming no exercise of the Over-Allotment Option) and $8,785,547 (if the Over-Allotment Option is exercised in full) but before deducting expenses of the Offering. We will not receive any of the proceeds of the sale of Secondary Shares by the Selling Shareholders.

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: increasing our investment in sales and marketing, research and development and general and administrative functions; investing in maintaining our high level of merchant service and support; continuing to invest in our network infrastructure; and future acquisitions. Pending their use, we intend to invest the net proceeds to us from this Offering in short-term, investment-grade, interest-bearing instruments or hold them as cash.

TABLE OF CONTENTS

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 68,592,501 were issued and outstanding as of August 12, 2016, an unlimited number of Class B multiple voting shares, of which 13,640,190 were issued and outstanding as of August 12, 2016, and an unlimited number of preferred shares, issuable in series, none of which were issued and outstanding as of August 12, 2016.

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 unaudited consolidated financial statements as at June 30, 2016 on (i) an actual basis and (ii) an as-adjusted basis to give effect to the Offering (assuming no exercise of the Over-Allotment Option) and the use of the net proceeds to the Company therefrom. This table should be read in conjunction with the Q2 2016 Financial Statements and the Q2 2016 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 June 30, 2016.

	As at June 30, 2016	
	Actual	**As Adjusted**
	($ millions)	
Cash, cash equivalents and short-term investments	$ 179.6	$ 363.7
Long-term debt	$ —	$ —
Shareholders' equity		
Class A Subordinate Voting Shares and Class B multiple voting shares	235.6	419.7
Additional paid-in-capital	18.2	18.2
Accumulated deficit and accumulated other comprehensive income	(65.0)	(65.0)
Total shareholders' equity	188.8	372.9
Consolidated capitalization	$ 188.8	$ 372.9

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.

TABLE OF CONTENTS

PRIOR SALES

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:

Date	Type of Security Issued	Number of Securities Issued	Issuance/Exercise Price per Security ($)
August 8, 2015 to August 8, 2016	Options to purchase Class A Subordinate Voting Shares(1)	1,694,167	$27.29 (weighted average exercise price)
August 8, 2015 to August 8, 2016	RSUs(2)	1,920,539	—
August 8, 2015 to August 8, 2016	Class A Subordinate Voting Shares	59,072,699(3)	$17.00 (weighted average exercise price)(4)
August 8, 2015 to August 8, 2016	Class B multiple voting shares(5)	6,378,638	$0.59 (weighted average exercise price)

Notes:

(1) Issued under the Stock Option Plan.

(2) Issued under the LTIP.

(3) Includes 6,958 shares issued upon the exercise of options pursuant to the Stock Option Plan and 59,065,741 shares issued as a result of conversions of Class B multiple voting shares.

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

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

TABLE OF CONTENTS

TRADING PRICE AND VOLUME

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

Month	Price per Class A Subordinate Voting Share (US$) Monthly High	Price per Class A Subordinate Voting Share (US$) Monthly Low	Class A Subordinate Voting Share Total Volume for Period
August 2015	41.11	22.70	6,585,973
September 2015	37.95	25.55	7,209,503
October 2015	39.29	29.72	6,248,090
November 2015	33.93	25.53	15,346,665
December 2015	27.40	24.06	8,476,541
January 2016	26.50	18.48	9,667,163
February 2016	24.81	18.58	17,949,337
March 2016	28.78	22.01	15,627,610
April 2016	32.39	27.57	9,944,520
May 2016	31.88	24.96	15,259,068
June 2016	31.51	26.35	16,642,027
July 2016	34.76	30.00	17,780,900
August 1 to August 16, 2016	40.93	32.85	17,638,906

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

Month	Price per Class A Subordinate Voting Share (C$) Monthly High	Price per Class A Subordinate Voting Share (C$) Monthly Low	Class A Subordinate Voting Shares Total Volume for Period
August 2015	53.50	30.50	540,593
September 2015	49.85	34.00	774,386
October 2015	51.29	39.49	910,695
November 2015	44.24	34.00	1,321,333
December 2015	37.44	33.25	640,572
January 2016	36.82	26.84	834,477
February 2016	34.26	25.85	1,505,155
March 2016	37.55	29.90	1,253,768
April 2016	40.99	36.20	815,274

May 2016	39.80	33.49	1,949,257
June 2016	41.00	34.45	1,701,602
July 2016	45.52	39.15	936,032
August 1 to August 16, 2016	53.11	42.94	1,120,778

TABLE OF CONTENTS

UNDERWRITING

Under the terms and subject to the conditions in the Underwriting Agreement, the Underwriters named below, for whom Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC and RBC Dominion Securities Inc. are acting as representatives, have severally agreed to purchase, and we and the Selling Shareholders have agreed to sell to them, severally, the aggregate number of Offered Shares indicated below:

Name	Number of Offered Shares
Morgan Stanley & Co. LLC	3,187,500
Credit Suisse Securities (USA) LLC	1,875,000
RBC Dominion Securities Inc.	937,500
Pacific Crest Securities, a division of KeyBanc Capital Markets Inc.	375,000
Raymond James & Associates, Inc.	375,000
Canaccord Genuity Inc.	375,000
Piper Jaffray & Co.	375,000
Total:	7,500,000

The representatives are collectively referred to as the representatives . The Underwriters are offering the Offered Shares subject to their acceptance of the Offered Shares from the Company and the Selling Shareholders and subject to prior sale. The Underwriting Agreement provides that the obligations of the several Underwriters to pay for and accept delivery of Offered Shares offered by this Prospectus Supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters may terminate their obligations under the Underwriting Agreement by notice given by Morgan Stanley & Co. LLC to the Company, if after the execution and delivery of the Underwriting Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, the NYSE, the NASDAQ Global Market or the TSX, (ii) trading of any securities of the Company shall have been suspended on the NYSE or the TSX, (iii) a material disruption in securities settlement, payment or clearance services in the United States or Canada shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by U.S. Federal, New York State or Canadian authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in Morgan Stanley & Co. LLC s judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in Morgan Stanley & Co. LLC s judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Offered Shares on the terms and in the manner contemplated in the Prospectus Supplement. The Underwriters are, however, obligated to take and pay for all of the Offered Shares if any such shares are taken. However, the Underwriters are not required to take or pay for the Offered Shares covered by the Over-Allotment Option unless and until the Over-Allotment Option is exercised.

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 in the United States through certain of the Underwriters listed above, 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. Neither Pacific Crest Securities, a division of KeyBanc Capital Markets Inc., nor Piper Jaffray & Co. is registered as a dealer in any Canadian jurisdiction and, accordingly, will only sell Offered Shares into the United States or in other jurisdictions

outside of Canada and are not permitted and will not, directly or indirectly, solicit offers to purchase or sell any of the Offered Shares in Canada

The Underwriters initially propose to offer part of the Offered Shares directly to the public at the offering price listed on the cover page of this Prospectus Supplement and part to certain dealers. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the offering price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Shares is less than the gross price paid by the Underwriters to the Company and the Selling Shareholders. The Offered Shares are being offered in the United States and Canada in U.S. dollars.

TABLE OF CONTENTS

We have granted to the Underwriters an option, exercisable for 30 days from the date of this Prospectus Supplement, to purchase up to 1,125,000 additional Class A Subordinate Voting Shares at the public offering price listed on the cover page of this Prospectus Supplement, less underwriting discounts and commissions. The Underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the initial offering of the Class A Subordinate Voting Shares offered by this Prospectus Supplement. To the extent the option is exercised, each Underwriter will become obligated, subject to certain conditions, to purchase approximately the same proportion of the additional Class A Subordinate Voting Shares as the number listed next to the Underwriter s name in the preceding table bears to the total number of Offered Shares listed next to the names of all Underwriters in the preceding table.

The following table shows the per Offered Share and total price to the public, Underwriters discounts and commissions, net proceeds to the Company and net proceeds to the Selling Shareholders. These amounts are shown assuming both no exercise and full exercise of the Over-Allotment Option.

	No Exercise (per Offered Share)	**Full Exercise (per Offered Share)**	**No Exercise (total)**	**Full Exercise (total)**
Price to the Public	US$ 38.25	US$ 38.25	US$ 286,875,000	US$ 329,906,250
Underwriters' Discounts and Commissions	US$ 1.43	US$ 1.43	US$ 10,757,813	US$ 12,371,484
Net Proceeds to the Company	US$ 36.82	US$ 36.82	US$ 184,078,125	US$ 225,495,703
Net Proceeds to the Selling Shareholders	US$ 36.82	US$ 36.82	US$ 92,039,063	US$ 92,039,063

The expenses of the Offering, estimated to be approximately US$750,000, will be paid for by us out of the gross proceeds of the offering of Treasury Shares. The Company will pay the expenses associated with the offering of the Secondary Shares, other than underwriting discounts and commissions. The total Underwriters discounts and commissions for the Offering will be paid proportionately by the Company and each of the Selling Shareholders based on the respective number of Offered Shares sold by each pursuant to the Offering.

We have agreed to reimburse the Underwriters for expenses relating to clearance of the Offering with the Financial Industry Regulatory Authority, Inc., or FINRA, in an amount up to $15,000.

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

The Company, all its directors and officers and the Selling Shareholders collectively representing 18.43% of our outstanding shares and options on a fully-diluted basis (each, a locked-up party), have agreed that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the Underwriters, the Company and they will not, during the period ending 75 days after the date of this Prospectus Supplement (the restricted period):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Class A Subordinate Voting Shares or Class B multiple voting shares of the Company (collectively, the subject shares) or any securities convertible into or exercisable or exchangeable for any subject shares or publicly disclose the intention to do so; or
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enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the subject shares or such other securities;

whether any such transaction described above is to be settled by delivery of subject shares or such other securities, in cash or otherwise. In addition, we and each such locked-up party have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, on behalf of the Underwriters, we or such locked-up party will not, during the restricted period, make any demand for or exercise any right with respect to, the registration or qualification for distribution of any subject shares or any security convertible into or exercisable or exchangeable for any subject shares.

TABLE OF CONTENTS

In respect of our directors, officers and Selling Shareholders who have signed lock-ups, the restrictions described in the immediately preceding paragraph do not apply to:

- transactions relating to the subject shares or other securities acquired in open market transactions after the completion of this offering; provided that no filing or public announcement under Section 16(a) of the Exchange Act, under any Canadian securities laws or otherwise is required or voluntarily made during the restricted period in connection with any such subsequent sales of the subject shares or other securities acquired in such open market transactions;
- the exercise of stock options or other similar awards granted pursuant to our equity incentive plans or the vesting or settlement of awards granted pursuant to our equity incentive plans (including the delivery and receipt of subject shares, other awards or any securities convertible into or exercisable or exchangeable for subject shares in connection with such vesting or settlement), provided that the foregoing restrictions shall apply to any locked-party's subject shares or any security convertible into or exchangeable for such shares issued or received upon such exercise, vesting or settlement;
- transfers of subject shares or any security convertible into or exercisable or exchangeable for such shares: (i) as a bona fide gift, including as a result of estate or intestate succession, or pursuant to a will or other testamentary document; (ii) if the locked-up party is a natural person, to a member of the immediate family of such locked-up party, any trust or other like entity for the direct or indirect benefit of such locked-up party or the immediate family of such locked-up party or to a corporation, partnership, limited liability company or other entity of which such locked-up party and the immediate family of such locked-up party are the direct or indirect legal and beneficial owners of all the outstanding equity securities or similar interests of such corporation, partnership, limited liability company or other entity; and (iii) if the locked-up party is a corporation, partnership, limited liability company or other entity, to any trust or other like entity for the direct or indirect benefit of such locked-up party or any affiliate (as defined in Rule 405 under the Securities Act), wholly-owned subsidiary, limited partner, member or stockholder of such locked-up party, to any affiliate, wholly-owned subsidiary, limited partner, member or stockholder of such locked-up party or to any investment fund or other entity controlled or managed by such locked up-party; provided that in the case of any transfer or distribution pursuant to this paragraph, no public filing or public announcement under Section 16(a) of the Exchange Act or Canadian securities laws, reporting a reduction in beneficial ownership of the subject shares, shall be required or shall be voluntarily made during the restricted period;
- the sale of subject shares or other securities by officers or directors of the Company or their affiliates pursuant to an automatic share distribution plan established pursuant to Canadian securities laws in effect as of the date of the Underwriting Agreement, provided that the total number of subject shares sold pursuant to such plans shall not exceed 557,538 during the restricted period;
- the establishment or modification of any trading plan that complies with Rule 10b5-1 under the Exchange Act or similar plan under Canadian securities laws for the transfer of subject shares, provided that (i) such plan does not provide for the transfer or modification of such shares during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act or Canadian securities laws, if any, is required or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer or modification of such shares may be made under such plan during the restricted period;
- the transfer of subject shares or any security convertible into or exercisable or exchangeable for such shares to us, pursuant to agreements or rights in existence on the date hereof under which we have the option to repurchase such shares or a right of first refusal with respect to transfers of such shares, in each case, in connection with the termination of the locked-up party's employment or other service relationship with us; provided that any public filing or public announcement under Section 16(a) of the Exchange Act or Canadian securities laws required or voluntarily made during the restricted period shall clearly indicate that such transfer was made solely to the Company pursuant to the circumstances described above;
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the transfer of subject shares or any securities convertible into or exercisable or exchangeable for such shares from a locked-up party to the Company (or the purchase and cancellation of same by us) upon a vesting event of our securities or upon the exercise of options to purchase such shares by a locked-up party, in each case on a cashless or net exercise basis, or to cover tax withholding obligations of such

TABLE OF CONTENTS

locked-up party in connection with such vesting or exercise; provided that any public filing or public announcement under Section 16(a) of the Exchange Act or Canadian securities laws required or voluntarily made during the restricted period shall clearly indicate that such transfer was made pursuant to the circumstances described above;

- the transfer of subject shares or any security convertible into or exercisable or exchangeable for such shares pursuant to a bona fide third-party tender offer, merger, amalgamation, consolidation or other similar transaction made to all holders of such shares involving a change of control of the Company, provided that in the event that the tender offer, merger, amalgamation, consolidation or other such transaction is not completed, such shares owned by such locked-up party shall remain subject to the restrictions described in the immediately preceding paragraph;
- the exercise of any right with respect to, or the taking of any other action in preparation for, a registration by the Company of subject shares or any securities convertible into or exercisable or exchangeable for such shares, provided that no transfer of a locked-up party's shares proposed to be registered pursuant to the exercise of such rights shall occur, and no registration statement shall be filed, during the restricted period; and further provided that no public announcement regarding such exercise or taking of such action shall be required or shall be voluntarily made during the restricted period;
- any transfer of subject shares that occurs by operation of law pursuant to a qualified domestic order in connection with a divorce settlement or other court order; provided that any public filing or public announcement under Section 16(a) of the Exchange Act or Canadian securities laws required or voluntarily made during the restricted period shall clearly indicate that such transfer was made solely to the Company pursuant to the circumstances described above;
- the conversion of Class B multiple voting shares into Class A Subordinate Voting Shares in accordance with their terms;
- the sale of subject shares by the Selling Shareholders pursuant to the Underwriting Agreement;

provided that in the case of the third and ninth bullets above, each donee, distributee or transferee shall agree to the restrictions described in the immediately preceding paragraph concurrently with such transfer or distribution.

The restrictions described above do not apply to the Class A Subordinate Voting Shares to be sold by the Selling Shareholders in the Offering. In addition, the restrictions described above do not apply to the Company with respect to:

- the Class A Subordinate Voting Shares to be sold by the Company in the Offering;
- the issuance of Class A Subordinate Voting Shares upon the conversion of Class B multiple voting shares in accordance with their terms;
- the issuance by the Company of subject shares upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof;
- subject shares issued or options or other securities granted pursuant to our incentive plans disclosed in the documents incorporated by reference into this Prospectus Supplement;
- the filing by the Company of one or more registration statements on Form S-8;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of subject shares, provided that such plan does not provide for the transfer of subject shares during the restricted period and that to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of subject shares may be made under such plan during the restricted period;
- the entry into an agreement providing for the issuance by the Company of Class A Subordinate Voting Shares or any security convertible into or exercisable for Class A Subordinate Voting Shares in connection with the acquisition by the Company or any of its subsidiaries of the securities, business, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in

connection with such acquisition, and the issuance of any such securities pursuant to any such agreement,

TABLE OF CONTENTS

or the entry into an agreement providing for the issuance of Class A Subordinate Voting Shares or any security convertible into or exercisable for Class A Subordinate Voting Shares in connection with joint ventures, commercial relationships or other strategic corporate transactions, and the issuance of any such securities pursuant to any such agreement; provided that in the case of this exception, the aggregate number of Class A Subordinate Voting Shares that the Company may sell or issue or agree to sell or issue pursuant to this exception shall not exceed 10% of the total number of subject shares issued and outstanding immediately following the completion of the Offering and each recipient of Class A Subordinate Voting Shares or securities convertible into or exercisable or exchangeable for Class A Subordinate Voting Shares pursuant to this exception shall execute a lock-up agreement substantially in the form entered into by our other securityholders in connection with the Offering.

Morgan Stanley & Co. LLC, in its sole discretion, may release the subject shares subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the Offering, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A Subordinate Voting Shares. Specifically, the Underwriters may sell more shares than they are obligated to purchase under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the Underwriters under the Over-Allotment Option. The Underwriters can close out a covered short sale by exercising the Over-Allotment Option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the Underwriters will consider, among other things, the open market price of shares compared to the price available under the Over-Allotment Option. The Underwriters may also sell shares in excess of the Over-Allotment Option, creating a naked short position. The Underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Class A Subordinate Voting Shares in the open market after pricing that could adversely affect investors who purchase in the Offering. As an additional means of facilitating the Offering, the Underwriters may bid for, and purchase, Class A Subordinate Voting Shares in the open market to stabilize the price of such shares. These activities may raise or maintain the market price of the Class A Subordinate Voting Shares above independent market levels or prevent or retard a decline in the market price of the Class A Subordinate Voting Shares. The Underwriters are not required to engage in these activities and may end any of these activities at any time.

In accordance with Canadian securities laws, the Underwriters may not, throughout the period of distribution, bid for or purchase the Class A Subordinate Voting Shares. Exceptions, however, exist where the bid or purchase is not made to create the appearance of active trading in, or rising prices of, the Class A Subordinate Voting Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable Canadian securities regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, in connection with the Offering and pursuant to the first exception mentioned above, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Class A Subordinate Voting Shares at levels other than those which might otherwise prevail on the open market. Any of the foregoing activities may have the effect of preventing or slowing a decline in the market price of the Class A Subordinate Voting Shares. They may also cause the price of the Class A Subordinate Voting Shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Underwriters may conduct these transactions on the NYSE, the TSX, in the OTC market or otherwise. If the Underwriters commence any of these transactions, they may discontinue them at any time.

The Company and the Selling Shareholders have agreed to indemnify the Underwriters, and the Underwriters have agreed to indemnify the Company and the Selling Shareholders, against certain liabilities, including liabilities under the Securities Act and applicable Canadian securities laws. The Selling Shareholders and the Company have also

agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act and applicable Canadian securities laws.

The accompanying Shelf Prospectus as supplemented by this Prospectus Supplement in electronic format may be made available on websites maintained by one or more Underwriters or selling group members, if any,

TABLE OF CONTENTS

participating in the Offering. The representatives may agree to allocate a number of Offered Shares to Underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to Underwriters that may make internet distributions on the same basis as other allocations.

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. The Offering is expected to close on or about August 22, 2016 or such later date as we and the Underwriters may agree but, in any event, not later than August 29, 2016.

Conflicts of Interest

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In 2011, we entered into a revolving credit facility with an affiliate of RBC Dominion Securities Inc., that is annually renewable. In 2013, the borrowing limit on this credit facility was increased to $1.5 million. This credit facility is secured by cash and cash equivalents and its interest rate is tied to the Bank of Canada prime lending rate plus 0.3%. As of the date of this Prospectus Supplement, no amounts were drawn on this credit facility and $1.05 million under the facility was pledged as collateral for letters of credit.

The Company is in compliance with all covenants contained in its credit agreement with an affiliate of RBC Dominion Securities Inc. and none of the lenders thereunder has waived a breach of the credit agreement since its execution. Other than as disclosed in the Prospectus Supplement, the Shelf Prospectus and the documents incorporated by reference therein for purposes of the Offering, the financial position of the Company has not materially changed since any amounts under the facility were pledged as collateral for letters of credit. The decision to sell the Treasury Shares and the determination of the terms of the Offering were made by negotiation among the Company, the Selling Shareholders and the Underwriters. The lending affiliate of RBC Dominion Securities Inc. did not have any involvement in such decision or determination. As a consequence of the Offering, RBC Dominion Securities Inc. will receive its proportionate share of the Underwriters discounts and commissions for the Offering.

In addition, ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The Underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

The price of the Offered Shares was determined by negotiation among the Company, the Selling Shareholders and the Underwriters, with reference to the then-current market price of the Class A Subordinate Voting Shares.

Selling Restrictions

Other than in the United States and each of the provinces and territories of Canada, other than Québec, no action has been taken by the Company that would permit a public offering of the Offered Shares in any jurisdiction where action

for that purpose is required. The Offered Shares may not be offered or sold, directly or indirectly, nor may this Prospectus Supplement or any other offering material or advertisements in connection with the offer and sale of any such Offered Shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus Supplement comes are advised to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus Supplement. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any Offered Shares in any jurisdiction in which such an offer or a solicitation is unlawful.

TABLE OF CONTENTS

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or a Relevant Member State, an offer to the public of any of our Class A Subordinate Voting Shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any of our Class A Subordinate Voting Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of our Class A Subordinate Voting Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any of our Class A Subordinate Voting Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any of our Class A Subordinate Voting Shares to be offered so as to enable an investor to decide to purchase any of our Class A Subordinate Voting Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

Each Underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of our Class A Subordinate Voting Shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to our Class A Subordinate Voting Shares in, from or otherwise involving the United Kingdom.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, Canadian counsel to the Company, and Blake, Cassels & Graydon LLP, Canadian counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (the Tax Act) generally applicable to a holder who acquires, as beneficial owner, Offered Shares pursuant to the Offering. This summary only applies to a holder who, for the purposes of the Tax Act and at all relevant times: (i) deals at arm s length with the Company, the Underwriters and the Selling Shareholders and is not affiliated with the Company, the Underwriters or the Selling Shareholders and (ii) acquires and holds the Offered Shares as capital property (a Holder). The Offered Shares will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon: (i) the current provisions of the Tax Act in force as of the date hereof; (ii) all specific proposals (the Tax Proposals) to amend the Tax Act that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; (iii) the Canada-United States Tax Convention (1980), as amended (the Treaty) and (iv) counsel s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the CRA) made publicly available prior to the date hereof.

TABLE OF CONTENTS

This summary assumes that all such Tax Proposals will be enacted in the form currently proposed but no assurance can be given that they will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial interpretation, decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada, which may differ from the Canadian federal income tax considerations described herein.

Subject to certain exceptions that are not discussed in this summary, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Offered Shares must be determined in Canadian dollars based on the rate of exchange quoted by the Bank of Canada at noon on the date such amount arose or such other rate of exchange as may be acceptable to the CRA.

This summary is not exhaustive of all possible Canadian federal income tax considerations of purchasing, holding or disposing of the Offered Shares. Moreover, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. Accordingly, Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Offered Shares in their particular circumstances.

Holders Resident in Canada

This portion of the summary applies to a Holder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada (a Resident Holder). This summary is not applicable to a Resident Holder: (i) that is a financial institution within the meaning of the Tax Act (including for the purposes of the mark-to-market rules in the Tax Act); (ii) that is a specified financial institution within the meaning of the Tax Act; (iii) that reports its Canadian tax results within the meaning of the Tax Act in a currency other than Canadian currency; (iv) an interest in which is a tax shelter investment within the meaning of the Tax Act; or (v) that enters into or has entered into, with respect to the Offered Shares, a derivative forward agreement as that term is defined in the Tax Act. Such Resident Holders should consult their own tax advisors.

A Resident Holder whose Offered Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have its Offered Shares and every other Canadian security (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Additional considerations, not discussed herein, may be applicable to a Resident Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Offered Shares, controlled by a non-resident corporation for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Resident Holders should consult their tax advisors with respect to the consequences of acquiring Offered Shares.

Dividends on Offered Shares

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividend received or deemed to be received on the Offered Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividend will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. Taxable dividends that are

designated by the Company as eligible dividends will be subject to an enhanced gross-up and tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, a taxable dividend received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. Corporate Resident Holders should contact their own tax advisors with respect to the application of these rules in their particular circumstances.

TABLE OF CONTENTS

Dispositions of Offered Shares

A Resident Holder who disposes of or is deemed for the purposes of the Tax Act to have disposed of an Offered Share (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition are greater (or are less) than the total of: (i) the adjusted cost base as defined in the Tax Act to the Resident Holder of the Offered Shares immediately before the disposition or deemed disposition, and (ii) any reasonable costs of disposition. For purposes of determining the adjusted cost base to a Resident Holder of Offered Shares acquired pursuant to this Offering, the cost of such Offered Shares will be averaged with the adjusted cost base of all other Class A Subordinate Voting Shares (if any) held by the Resident Holder as capital property immediately before that time.

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a taxable capital gain) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an allowable capital loss) realized in the taxation year of disposition against taxable capital gains realized in the same taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such taxation years, to the extent and under the circumstances specified in the Tax Act.

If a Resident Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Offered Shares may, in certain circumstances prescribed by the Tax Act, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such Offered Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares directly or indirectly through a partnership or a trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Taxes

A Resident Holder that is a private corporation or a subject corporation , as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Offered Shares to the extent such dividends are deductible in computing the Resident Holder s taxable income for the year. This tax will generally be refunded to the corporation when sufficient taxable dividends are paid while it is a private corporation or a subject corporation.

A Resident Holder that is throughout the relevant taxation year a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax on its aggregate investment income (as defined in the Tax Act) for the year, including taxable capital gains realized on the disposition of Offered Shares.

Capital gains realized and taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary applies to a Holder who, for purposes of the Tax Act and at all relevant times, (i) is not and is not deemed to be a resident of Canada, and (ii) and does not use or hold, and is not deemed to use or hold, Offered Shares in the course of carrying on, or otherwise in connection with, a business in Canada (a Non-Canadian

Holder). Special rules, which are not discussed in this summary, apply to a Non-Canadian Holder that is an insurer carrying on an insurance business in Canada and elsewhere. Such Non-Canadian Holders should consult their own tax advisors.

Dividends on Offered Shares

Dividends paid or credited or deemed to be paid or credited to a Non-Canadian Holder on the Offered Shares will be subject to Canadian withholding tax. The Tax Act imposes withholding tax at a rate of 25% on the gross amount of the dividend, although such rate may be reduced by virtue of an applicable tax treaty. For example, under the Treaty, where dividends on the Offered Shares are considered to be paid to a Non-Canadian Holder that is the

TABLE OF CONTENTS

beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to all of the benefits of, the Treaty (a Qualifying Person), the applicable rate of Canadian withholding tax is generally reduced to 15% (or to 5% if such Non-Canadian Holder is a Qualifying Person that is a company that for purposes of Article X(2)(a) of the Treaty owns at least 10% of the Company s voting shares). The Company will be required to withhold the applicable withholding tax from any dividend and remit it to the Canadian government for the Non-Canadian Holder s account.

Disposition of Offered Shares

A Non-Canadian Holder will not be subject to Canadian federal income tax under the Tax Act on a capital gain realized on a disposition or deemed disposition of an Offered Share unless, at the time of disposition, such Offered Share constitutes taxable Canadian property to the Non-Canadian Holder for the purposes of the Tax Act and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident.

If an Offered Share is listed on a designated stock exchange for purposes of the Tax Act (which includes the TSX) at the time it is disposed of, such Offered Share will generally not constitute taxable Canadian property to a Non-Canadian Holder unless, at that time or at any particular time within the preceding 60 months,

- 25% or more of the issued shares of any class or series of the Company's shares were owned by one or any combination of (1) the Non-Canadian Holder, (2) persons with whom the Non-Canadian Holder did not deal at arm's length (within the meaning of the Tax Act), and (3) partnerships in which the Non-Canadian Holder or a person described in (2) holds a membership interest directly or indirectly through one or more partnerships, and
- more than 50% of the fair market value of the Offered Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such foregoing properties, whether or not such properties exist.

If an Offered Share is taxable Canadian property to a Non-Canadian Holder that is a Qualifying Person, any capital gain realized on a disposition or deemed disposition of such share will nevertheless generally not be subject to Canadian federal income tax by virtue of the Treaty if the value of the Offered Share at the time of the disposition or deemed disposition is not derived principally from real property situated in Canada for purposes of the Treaty.

A Non-Canadian Holder whose shares may constitute taxable Canadian property is urged to consult with the Non-Canadian Holder s own tax advisors.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR U.S. RESIDENTS

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the Class A Subordinate Voting Shares acquired pursuant to this prospectus supplement. This discussion does not address all potentially relevant U.S. federal income tax considerations applicable to the ownership or disposition of the Class A Subordinate Voting Shares acquired pursuant to this prospectus supplement, and unless otherwise specifically provided, it does not address any state, local or non-U.S. tax considerations, or any aspect of U.S. federal tax law other than income taxation (e.g., alternative minimum tax or estate or gift tax). Except as specifically set forth below, this summary does not discuss applicable income tax reporting requirements.

As used herein, the term U.S. Holder means a beneficial owner of our Class A Subordinate Voting Shares that, for U.S. federal income tax purposes, is: (1) a citizen or individual resident of the United States; (2) a corporation (or other entity classified as a corporation for U.S. federal tax purposes) organized under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate whose income is subject to U.S. federal income taxation

regardless of its source, or (4) a trust (A) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (B) that has elected to be treated as a U.S. person under applicable U.S. Treasury Regulations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal tax purposes) holds our Class A Subordinate Voting Shares, the tax treatment of a partner in the partnership or other entity or arrangement will generally depend upon the status of the partner and the activities of the partnership. Prospective investors who

TABLE OF CONTENTS

are partners in partnerships (or other entities or arrangements treated as partnerships for U.S. federal tax purposes) that are beneficial owners of our Class A Subordinate Voting Shares are urged to consult their tax advisors regarding the tax consequences of the ownership and disposition of Class A Subordinate Voting Shares acquired pursuant to this prospectus supplement.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the Code), administrative pronouncements, judicial decisions and existing and proposed U.S. Treasury Regulations, all of which are subject to differing interpretations and changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein, possibly on a retroactive basis. This summary is not binding on the U.S. Internal Revenue Service (the IRS), and the IRS is not precluded from taking a position that is different from, and contrary to, the discussion set forth in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and U.S. courts could disagree with one or more of the positions taken in this summary.

This summary does not purport to address all U.S. federal income tax consequences that may be relevant to a U.S. Holder as a result of the ownership and disposition of the Class A Subordinate Voting Shares acquired pursuant to this prospectus supplement, nor does it take into account the specific circumstances of any particular holder, some of which may be subject to special tax rules, including, but not limited to, tax exempt organizations, partnerships and other pass through entities and their owners, banks or other financial institutions, insurance companies, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, persons that hold our Class A Subordinate Voting Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale or other similar arrangements, persons that acquired our Class A Subordinate Voting Shares in connection with the exercise of employee stock options or otherwise as compensation for services, dealers in securities or foreign currencies, traders in securities electing to mark to market, U.S. persons whose functional currency (as defined in the Code) is not the U.S. dollar, holders subject to the alternative minimum tax, U.S. expatriates, persons that hold our Class A Subordinate Voting Shares other than as a capital asset within the meaning of the Code, or persons that own directly, indirectly or by application of the constructive ownership rules of the Code 10% or more of our shares by voting power or by value.

This summary is of a general nature only and is not intended to be tax advice to any prospective investor, and no representation with respect to the tax consequences to any particular investor is made. **Prospective investors are urged to consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. income and other tax considerations relevant to them, having regard to their particular circumstances.**

Distributions

We have never declared or paid any dividends on our Class A Subordinate Voting Shares and do not intend to pay dividends in the foreseeable future. However, in the event that we do make a distribution with respect to our Class A Subordinate Voting Shares, subject to the passive foreign investment company rules below, a U.S. Holder will generally recognize, to the extent out of our current and accumulated earnings and profits (determined in accordance with U.S. federal income tax principles), dividend income on the receipt of the distribution on our Class A Subordinate Voting Shares. Because we do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that a distribution will generally be treated as a dividend for U.S. federal income tax purposes.

The amount of any distributions paid in Canadian dollars will equal the U.S. dollar value of such distributions determined by reference to the exchange rate on the day they are received by the U.S. Holder (with the value of such distributions computed before any reduction for any Canadian withholding tax). A U.S. Holder will have a tax basis in Canadian dollars equal to their U.S. dollar value on the date of receipt. If the Canadian dollars received are converted

into U.S. dollars on the date of receipt, the U.S. Holder should generally not be required to recognize foreign currency gain or loss in respect of the distribution. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder may recognize foreign currency gain or loss on a subsequent conversion or other disposition of the Canadian dollars. Such gain or loss generally will be treated as U.S. source ordinary income or loss.

Provided that we are not treated as a passive foreign investment company in the current or prior taxable year, as discussed below, we believe that we are a qualified foreign corporation, and therefore dividends paid by us to

TABLE OF CONTENTS

certain non-corporate U.S. Holders may be eligible for a preferential tax rate provided applicable holding period and no-hedging requirements are satisfied. Any amount of such distributions treated as dividends generally will not be eligible for the dividends received deduction available to certain U.S. corporate shareholders.

As discussed above under Material Canadian Federal Income Tax Consequences for Non-Canadian Residents , distributions to a U.S. Holder with respect to our Class A Subordinate Voting Shares will be subject to Canadian non-resident withholding tax. Any Canadian withholding tax paid will not reduce the amount treated as received by the U.S. Holder for U.S. federal income tax purposes. However, subject to limitations imposed by U.S. law, a U.S. Holder may be eligible to receive a foreign tax credit for the Canadian withholding tax. Because the rules applicable to the foreign tax credit rules are complex, U.S. Holders are urged to consult their advisors concerning the application of these rules in light of their particular circumstances. U.S. Holders who do not elect to claim a foreign tax credit may be able to claim an ordinary income tax deduction for Canadian income tax withheld, but only for a taxable year in which the U.S. Holder elects to do so with respect to all non-U.S. income taxes paid or accrued in such taxable year.

Dispositions

Subject to the passive foreign investment company rules discussed below, upon a sale, exchange or other taxable disposition of a Class A Subordinate Voting Share, a U.S. Holder will generally recognize a capital gain or loss equal to the difference between the amount realized on such sale, exchange or other taxable disposition (or, if the amount realized is denominated in Canadian dollars, its U.S. dollar equivalent, determined by reference to the spot rate of exchange on the date of disposition) and the tax basis of such Class A Subordinate Voting Share. Such gain or loss will be a long-term capital gain or loss if the Class A Subordinate Voting Share has been held for more than one year and will be short-term gain or loss if the holding period is equal to or less than one year. Such gain or loss generally will be considered U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gains of certain non-corporate taxpayers are eligible for reduced rates of taxation. For both corporate and non-corporate taxpayers, limitations apply to the deductibility of capital losses.

Passive Foreign Investment Company

A foreign corporation will be considered a passive foreign investment company, or a PFIC, for any taxable year in which (1) 75% or more of its gross income is passive income or (2) 50% or more of the average quarterly value of its assets produce (or are held for the production of) passive income. For this purpose, passive income generally includes interest, dividends, rents, royalties and certain gains. We currently do not believe that we were a PFIC in the preceding taxable year nor do we anticipate that we will be a PFIC in the current taxable year or in the foreseeable future. However, the determination as to whether we are a PFIC for any taxable year is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and is not determinable until after the end of such taxable year. Because of the above described uncertainties, there can be no assurance that the IRS will not challenge the determination made by us concerning our PFIC status or that we will not be a PFIC for any taxable year. If we are classified as a PFIC in any year a U.S. Holder owns our Class A Subordinate Voting Shares, certain adverse tax consequences could apply to such U.S. Holder. Certain elections may be available (including a mark-to-market election) to U.S. Holders that may mitigate some of the adverse consequences resulting from our treatment as a PFIC. U.S. Holders are urged to consult their tax advisors regarding the application of PFIC rules to their investments in our Class A Subordinate Voting Shares and whether to make an election or protective election.

Net Investment Income Tax

Certain U.S. Holders who are individuals, estates or trusts are required to pay 3.8 percent tax on their net investment income, which includes, among other items, dividends and net gain from the sale or other disposition of property (other than property held in certain trades or businesses). U.S. Holders who are individuals, estates or trusts are urged

to consult their tax advisors regarding the effect, if any, of this tax on their ownership and disposition of our Class A Subordinate Voting Shares.

Required Disclosure with Respect to Foreign Financial Assets

Certain U.S. Holders are required to report information relating to an interest in our Class A Subordinate Voting Shares, subject to certain exceptions (including an exception for common shares held in accounts maintained by

TABLE OF CONTENTS

certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in our Class A Subordinate Voting Shares. U.S. Holders are urged to consult their tax advisors regarding information reporting requirements relating to their ownership of our Class A Subordinate Voting Shares.

RISK FACTORS

An investment in the Offered Shares involves risks. Before purchasing the Offered Shares, prospective investors should carefully consider the information contained in, or incorporated by reference into, this Prospectus Supplement and the Shelf Prospectus, including, without limitation, the risk factors disclosed in the Annual Report, the 2015 Annual MD&A and the Q2 2016 MD&A. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows, or your investment in the Offered Shares could be materially adversely affected.

Risks Relating to the Offering

Discretion in use of proceeds.

We will have broad discretion concerning the use of the net proceeds of the Offering as well as the timing of any expenditures. As a result, a purchaser of Offered Shares will be relying on the judgment of management with respect to the application of the net proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, our financial performance and financial condition may be adversely affected and the Class A Subordinate Voting Shares could lose value.

Sales of a significant number of Class A Subordinate Voting Shares in the public markets, or the perception of such sales, could depress the market price of the Class A Subordinate Voting Shares.

Sales of a substantial number of Class A Subordinate Voting Shares or equity-linked securities in the public markets by the Company could depress the market price of the Class A Subordinate Voting Shares and impair the Company s ability to raise capital through the sale of additional equity securities. The Company cannot predict the effect that future sales of Class A Subordinate Voting Shares or equity-linked securities would have on the market price of the Class A Subordinate Voting Shares.

Our dual class structure has the effect of concentrating voting control and the ability to influence corporate matters with those shareholders who held our shares prior to our initial public offering, including our executive officers and directors and their affiliates.

Our Class B multiple voting shares have 10 votes per share and our Class A Subordinate Voting Shares have one vote per share. As of August 12, 2016, shareholders who hold Class B multiple voting shares, including our executive officers and directors and their affiliates, together hold approximately 66.55% of the voting power of our outstanding voting shares and therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including election of directors and significant corporate transactions.

In addition, because of the 10-to-1 voting ratio between our Class B multiple voting shares and Class A Subordinate Voting Shares, the holders of our Class B multiple voting shares collectively continue to control a majority of the combined voting power of our voting shares even where the Class B multiple voting shares represent a substantially reduced percentage of our total outstanding shares. The concentrated voting control of holders of our Class B multiple voting shares limits the ability of our Class A Subordinate Voting Shareholders to influence corporate matters for the

foreseeable future, including the election of directors as well as with respect to decisions regarding amendment of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Class B multiple voting shares have the ability to influence many matters affecting us and actions may be taken that our Class A Subordinate Voting Shareholders may not view as beneficial. The market price of our Class A Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the holders of Class B multiple voting shares. Additionally, the significant voting interest of holders of Class B multiple voting shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Class A Subordinate Voting Shares, might otherwise receive a premium for the Class A Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Class B multiple voting shares.

TABLE OF CONTENTS

Future transfers by holders of Class B multiple voting shares will generally result in those shares converting to Class A Subordinate Voting Shares, which will have the effect, over time, of increasing the relative voting power of those holders of Class B multiple voting shares who retain their shares. Each of our directors and officers owes a fiduciary duty to Shopify and must act honestly and in good faith with a view to the best interests of Shopify. However, any director and/or officer that is a shareholder, even a controlling shareholder, is entitled to vote his or her shares in his or her own interests, which may not always be in the interests of our shareholders generally.

Our articles of incorporation amend certain default rights provided for under the CBCA for holders of Class B multiple voting shares and Class A Subordinate Voting Shares to vote separately as a class for certain types of amendments to our articles. Specifically, neither the holders of the Class B multiple voting shares nor Class A Subordinate Voting Shares shall be entitled to vote separately as a class upon a proposal to amend our articles of incorporation to (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of subsection 176(1) of the CBCA. Pursuant to our amended articles of incorporation, neither holders of our Class A Subordinate Voting Shares nor holders of our Class B multiple voting shares are entitled to vote separately as a class on a proposal to amend our articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to Section 176(1)(b) of the CBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of Class A Subordinate Voting Shares and Class B multiple voting shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or our restated articles of incorporation in respect of such exchange, reclassification or cancellation.

Pursuant to our restated articles of incorporation, holders of Class A Subordinate Voting Shares and Class B multiple voting shares are treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the CBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Class A Subordinate Voting Shares and Class B multiple voting shares, each voting separately as a class.

The market price of our Class A Subordinate Voting Shares may be volatile.

The market price of our Class A Subordinate Voting Shares has fluctuated in the past and we expect it to fluctuate in the future, and it may decline. Since our Class A Subordinate Voting Shares were sold in our initial public offering in May 2015 at a price of $17.00 per share our share price has ranged from $18.48 through $42.13 through August 12, 2016. We cannot assure you that an active trading market for our Class A Subordinate Voting Shares will be sustained, and we therefore cannot assure you that you will be able to sell your shares of our Class A Subordinate Voting Shares when you would like to do so, or that you will obtain your desired price for your shares, and you could lose all or part of your investment. Some of the factors that may cause the market price of our Class A Subordinate Voting Shares to fluctuate include:

- significant volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our shares;
- announcements of technological innovations, new products, strategic alliances or significant agreements by us or by our competitors;
- changes in the prices of our solutions or the prices of our competitors' solutions;
- litigation or regulatory action against us;