

Fourth Quarter & FY 2020 Results

May 21, 2020



Disclaimer

General

All references in this presentation to the "Company", "Lightspeed", "us" or "we" are to Lightspeed POS Inc. All references in this presentation to dollars, "\$" or "US\$" are to United States dollars, and all references to Canadian dollars and "C\$" are to Canadian dollars.

Cautionary Note Regarding Forward-Looking Information

This presentation contains "forward-looking information" and "forward-looking statements" (collectively, "forward looking information") within the meaning of applicable securities laws. Forward looking information may relate to our financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate and the impact of the COVID-19 pandemic declared by the World Health Organization on March 11, 2020 (the "COVID-19 Pandemic") thereon is forward-looking information.

This forward-looking information and other forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

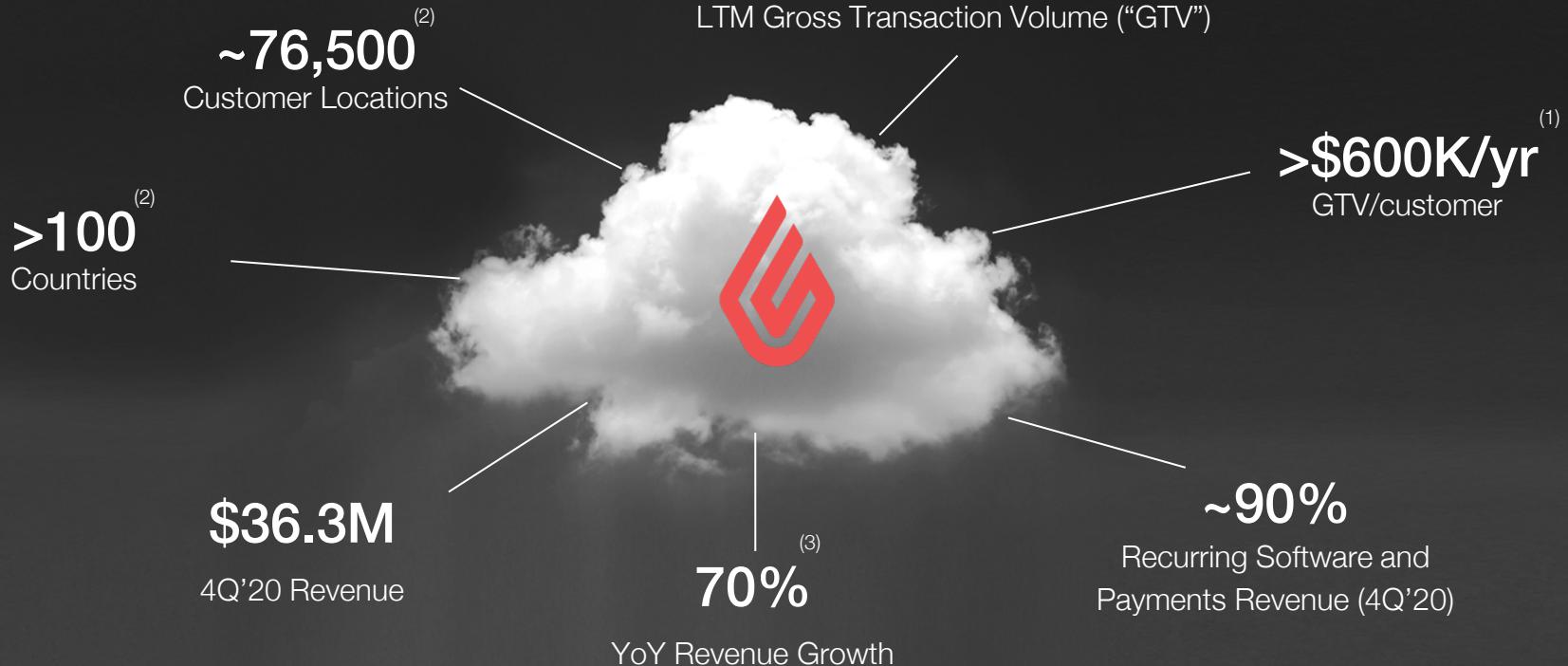
Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors identified in our most recent Management's Discussion and Analysis of Financial Condition and Results of Operation and under "Risk Factors" in our most recent Annual Information Form, both of which are available under our profile on SEDAR at www.sedar.com. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-IFRS measures and key performance indicators, which do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Refer to section "Non-IFRS Measures" of Lightspeed's press release dated May 21, 2020 for more details and the definition of "Adjusted EBITDA". In addition, the terms "Average Revenue Per User" or "ARPU", "Customer Locations", "Gross Transaction Volume" or "GTV", and "Net Dollar Retention Rate" are operating metrics used in our industry. See "Appendix A" of this presentation for the definition of each such industry metric.



Lightspeed at-a-glance



(1) Average GTV as of March 31, 2020

(2) As of March 31, 2020. Lightspeed had ~75,500 Customer Locations as of April 30, 2020

(3) 3-months ended March 31, 2020 vs March 31, 2019

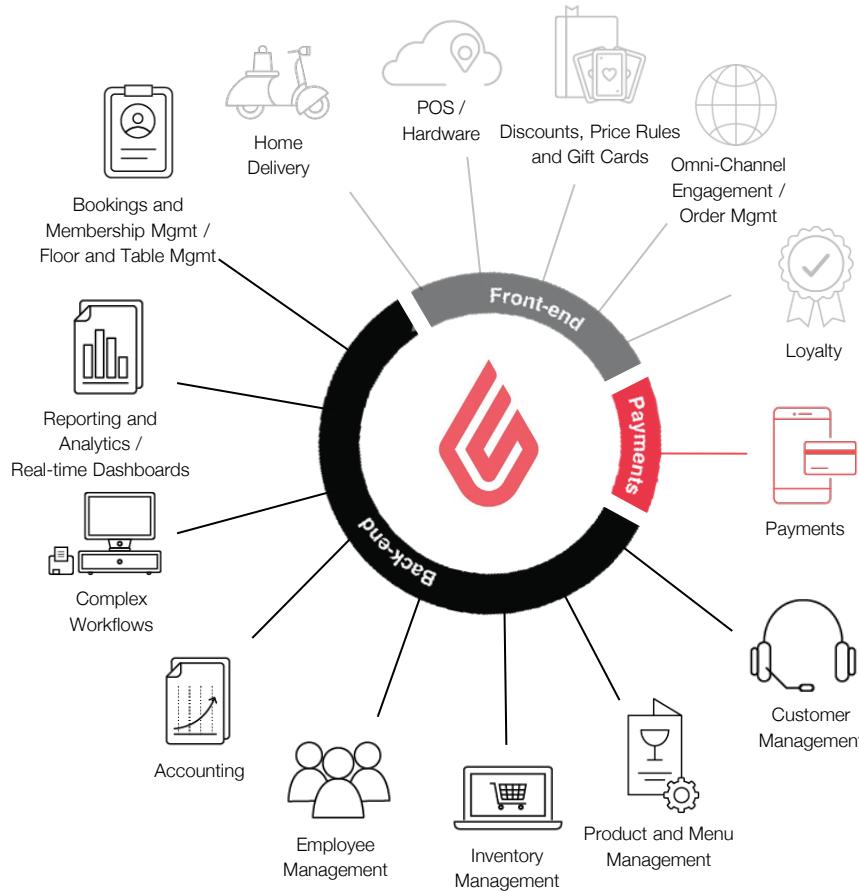




Future-proofing business
with technology for the
new commerce economy

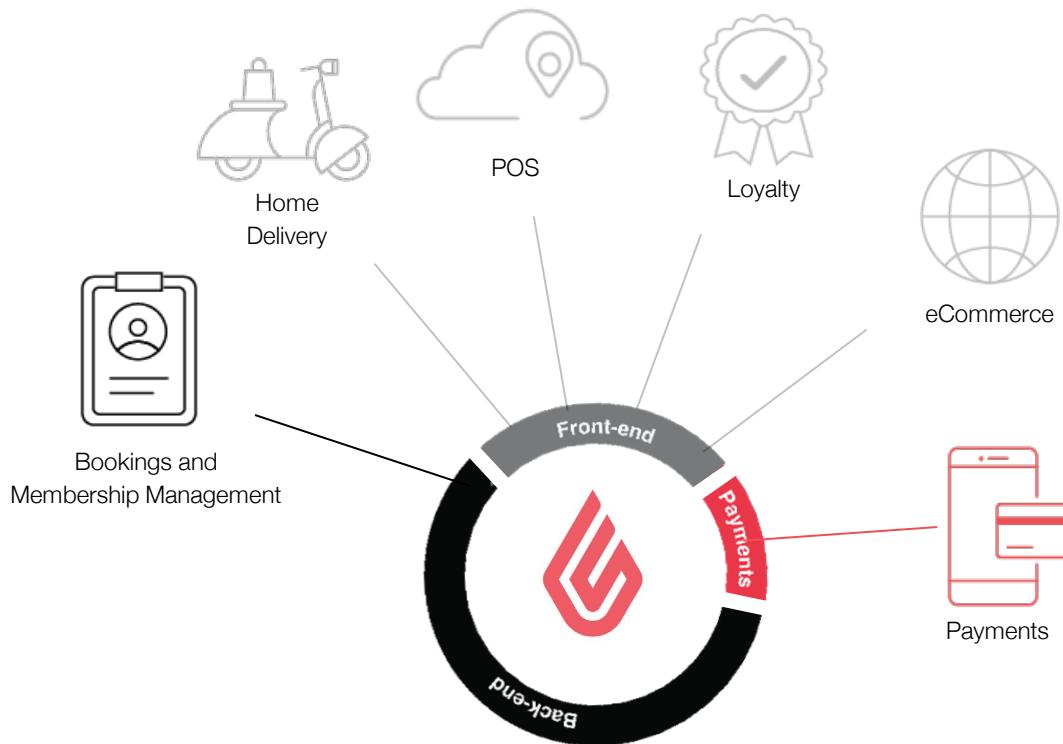
Lightspeed omni-channel
solutions are powering
SMBs around the world

Lightspeed's cloud-based omni-channel platforms are a hub of end-to-end capabilities for SMBs' rapidly-shifting revenue models



Global customer reach: US, Canada, EMEA, Australia

Lightspeed is a committed technology partner powering customers' evolving growth



🔥 E-Commerce – Streamlined onboarding & ramped scalability

- Record adoption of Lightspeed eCommerce in March
- GTV processed by NA retailers up >4x vs Feb 2020

🔥 Payments – Accelerated onboarding of eligible customers

- Sold more Payments in March than any other month in FY20
- >60% of eligible customers contracted for Payments in Q4
- April 2020 was most successful revenue month yet

🔥 Delivery – Enabled Restaurant customers to retain previous volumes

🔥 Retail POS – Upgraded CRM / Payments capabilities

🔥 Hospitality POS – New flagship product launched in Europe

🔥 Omnichannel Loyalty – New customer engagement tool

Future-proofing SMBs for new commerce economy



- Longtime physical retailer established an online presence through Lightspeed and enabled curbside pickup to maintain community connection
- Retail customer rapidly designed a pop-up Lightspeed eCommerce site, complemented by virtual sessions with employees, allowing highly personalized recommendations for customers
- UK hospitality customer used Lightspeed to strategically redesign menus and alter kitchens to be more delivery-friendly
- Golf customer used Lightspeed for online booking to eliminate points of contact and keep courses operational

Lightspeed is positioned to win – Now and Post-COVID-19

Solution Set

Always been ahead of the curve in helping customers adapt to changing consumer behaviors. Omni-channel is now a MUST HAVE. Ready to serve inevitable migration away from legacy POS systems

Software First

New product innovation made us a leader and one-stop shop in cloud omni-channel POS. Expect more enhancements designed to help customers preserve and grow revenue streams

Customers

Intentional focus on complex retailers & hospitality SMBs, with our core customers processing >\$600K of GTV/yr. Our customers have wherewithal to adopt broader solutions, are less susceptible to churn, and have a greater ability to withstand short term economic disruptions

Go To Market

Several inherent advantages of virtual model are even more apparent during COVID-19. Able to seamlessly meet increased demand for selling and onboarding eCommerce, Delivery, Loyalty and Payments offerings. Provides increased flexibility to maintain LTV:CAC ratios

Scale & Diversity

~75,500 customers spanning >100 countries (as of April 30, 2020), balanced between Retail & Hospitality. Diverse footprint helpful in managing risk during COVID-19 to focus on growth areas offsetting pressured areas



Lightspeed **growth strategies**

Expand Customer Base

- ✓ Large, underserved SMB market with strong industry tailwinds supporting increased cloud POS adoption
- ✓ Continuing to invest in marketing strategies and product innovation, tailored to attract net new customer locations to the platform

Expand Solutions

- ✓ Growth in eCommerce
- ✓ Record number of eligible customers contracting for Payments
- ✓ Introduce Payments offering outside North America

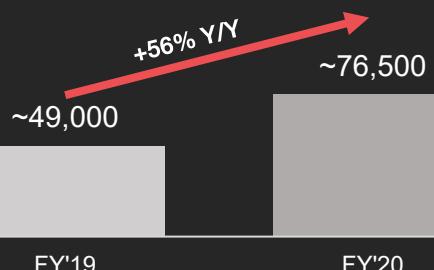
Expand ARPU

- ✓ Lightspeed offers a range of premium add on modules to its core POS system, including accounting, analytics, loyalty, and payments and has a demonstrated ability to upsell to merchants over time
- ✓ 40% of customers (ex recent acquisitions) using >1 Lightspeed module, up from 33% at March 31, 2019

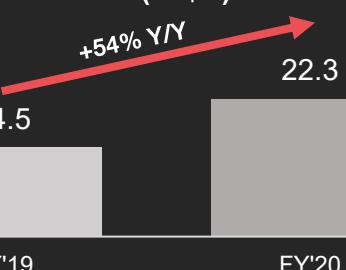
Selective Pursuit of M&A

- ✓ Lightspeed has completed 9 acquisitions since 2013 to expand its product offerings, enter new markets, and grow the customer base
- ✓ Leverage sales & marketing expertise, both in existing geos and new markets
- ✓ Since IPO, acquired Chronogolf (new vertical), iKentoo (new geo), Kounta (new geo), Gastrofix (new geo)

Total Customer Locations



GTV (in \$B)



Monthly ARPU per Customer (\$)



Lightspeed Payments: Highlights during first year of availability

- ❖ Launched in Jan 2019 to US Retail customers; expanded to US Restaurant and Canada Retail customers during Q3
- ❖ Number of eligible customers contracting for payments continued to ramp, reaching >60% of eligible customers in Q4, driven by strong ongoing demand and new marketing strategies implemented during the previous quarter
- ❖ April 2020 was most successful month yet for revenue generation from Payments
- ❖ Customers are using Lightspeed Payments as a way to save money vs. minimum fees charged by legacy competitors, as well as to take advantage of promotions designed to help streamline their operations
- ❖ Lightspeed Payments has been a great success during its first full year of availability. Still a big runway ahead with plenty of upside potential





Financial Overview

Financial model characteristics

Features

Recurring Subscriptions



Recurring Payments



New customers More locations More modules

% of transaction volume

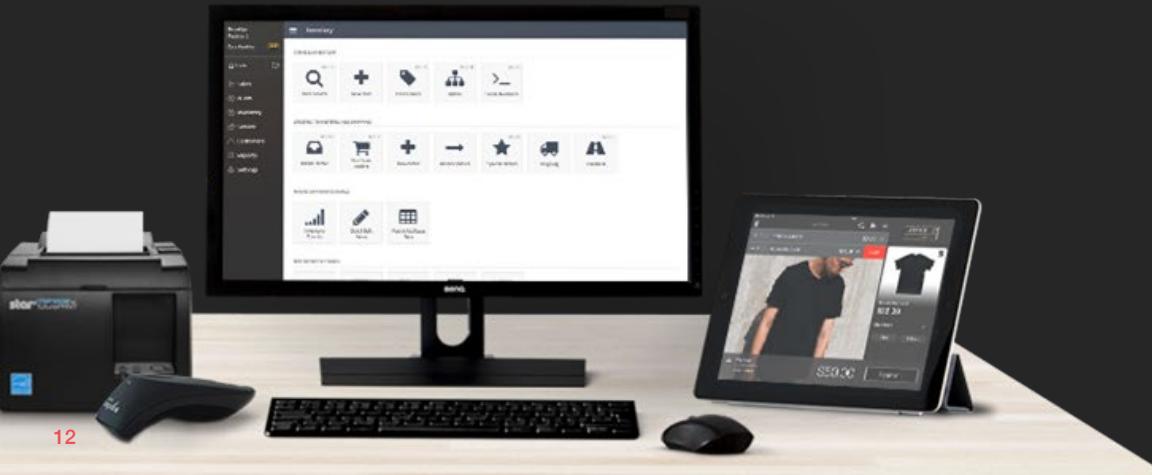
Benefits

~90%

Recurring Software
and Payments Revenue⁽¹⁾

Growth in Average
Revenue/Customer
(ARPU)⁽¹⁾

Positive Net Dollar
Retention Rates⁽¹⁾



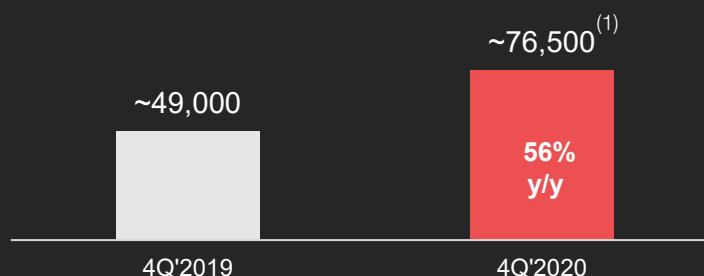
(1) As of FY ended March 31, 2020

Diverse, high-quality, growing customer base

Total Customer Locations



Total Customer Locations



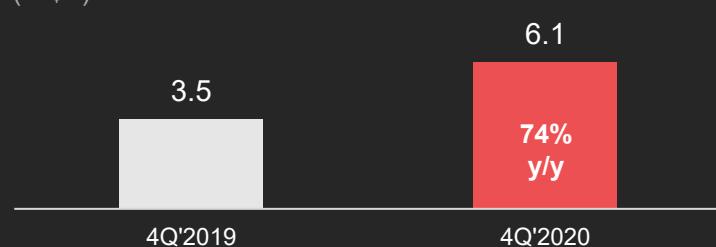
GT^V⁽²⁾

(in \$B)



GT^V⁽²⁾

(in \$B)



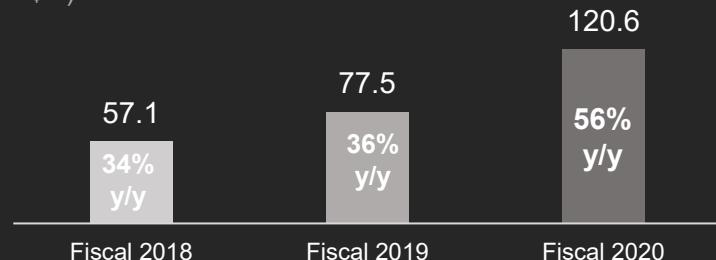
(1) Total Customer Locations were ~75,500 as of April 30, 2020

(2) GTV does not represent revenue generated by Lightspeed. See Appendix A

Strong revenue growth

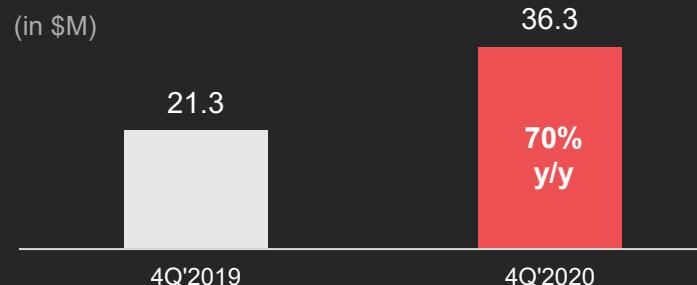
Total Revenue

(in \$M)



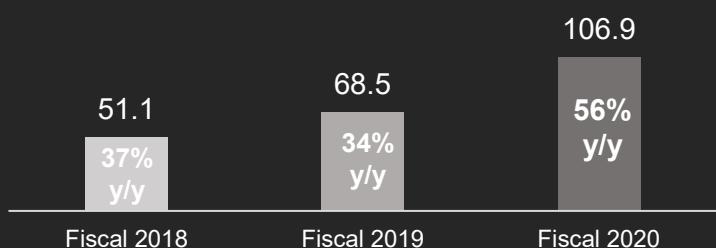
Total Revenue

(in \$M)



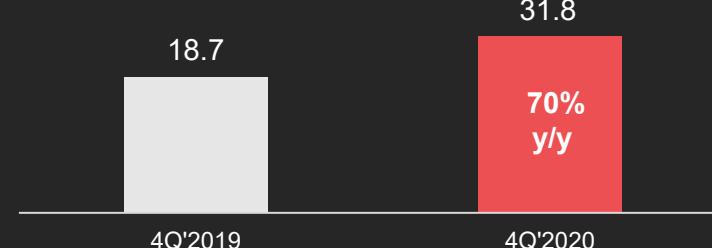
Software + Payments Revenue

(in \$M)



Software + Payments Revenue

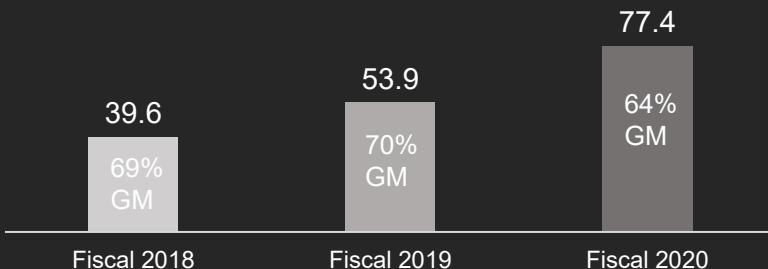
(in \$M)



Significant annual gross profit expansion

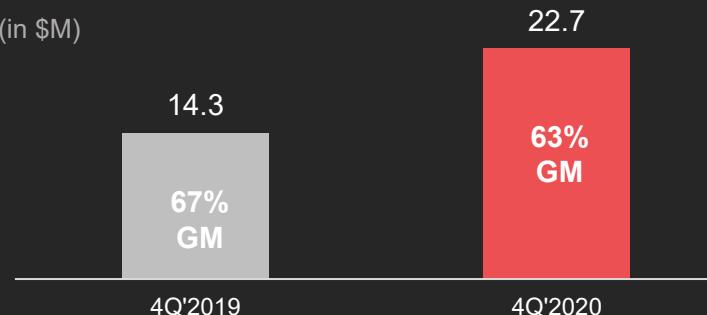
Gross Profit

(in \$M)



Gross Profit

(in \$M)



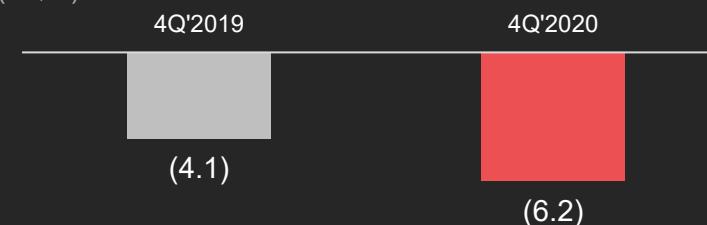
Adjusted EBITDA

(in \$M)



Adjusted EBITDA

(in \$M)



COVID-related insights

COVID

- Started feeling effects of COVID in early March, GTV deteriorated thru month-end
- Retail GTV fell by ~35%
- Hospitality GTV fell by >80%
- New business volumes slowed in back half of March
- eCommerce GTV spiked 400% by March-end
- Record level of eligible customers contracted for Payments in Q4



Lightspeed response

Free 3-month subscriptions for software solutions to help customers

- Lightspeed eCommerce
- Lightspeed Delivery
- Lightspeed Loyalty

Supported immediate onboarding of record numbers of merchants seeking overnight omnichannel adoption

Offered resources to help customers connect to government relief programs



Post-March quarter

- April retail GTV grew >50% from March
- RECORD month of April for revenue generated by Lightspeed Payments
- Approximately three quarters of customers are now actively trading through omnichannel solutions
- Hospitality customers showing signs of recovery
- 75,500 customer locations as of April 30th



Investment highlights



- ⚡ **Leading global cloud omni-channel commerce platform** powering SMBs in the new digital economy
- ⚡ **Large total addressable market mainly** served by legacy systems poorly equipped to support migration to cloud
- ⚡ **Strong and consistent growth** with vast majority of revenue generated from recurring software subscriptions
- ⚡ **Growing and diverse customer base** driving >\$22B of commerce globally
- ⚡ **Lightspeed Payments now driving significant growth for** North American retail and hospitality customers
- ⚡ **Well capitalized with ~\$210M in unrestricted cash**

Appendix A – Industry Metrics

Appendix A

“Average Revenue per User” or “ARPU” represents the total software and payments revenue of the Company in the period divided by the number of unique customers, or by the number of Customer Locations, as the context dictates, of the Company in the period.

“Customer Location” means a billing customer location for which the term of services has not ended, or with which we are negotiating a renewal contract. A single unique customer can have multiple Customer Locations including physical and eCommerce sites.

“Gross Transaction Volume” or “GTV” means the total dollar value of transactions processed through our cloud-based SaaS platform in the period, net of refunds, inclusive of shipping and handling, duty and value-added taxes.

“Net Dollar Retention Rate” is calculated as of the end of each month by considering the cohort of customers on our commerce platforms as of the beginning of the month and dividing our subscription and payments revenue attributable to this cohort in the then-current month by total subscription and payments revenue attributable to this cohort in the immediately preceding month.





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