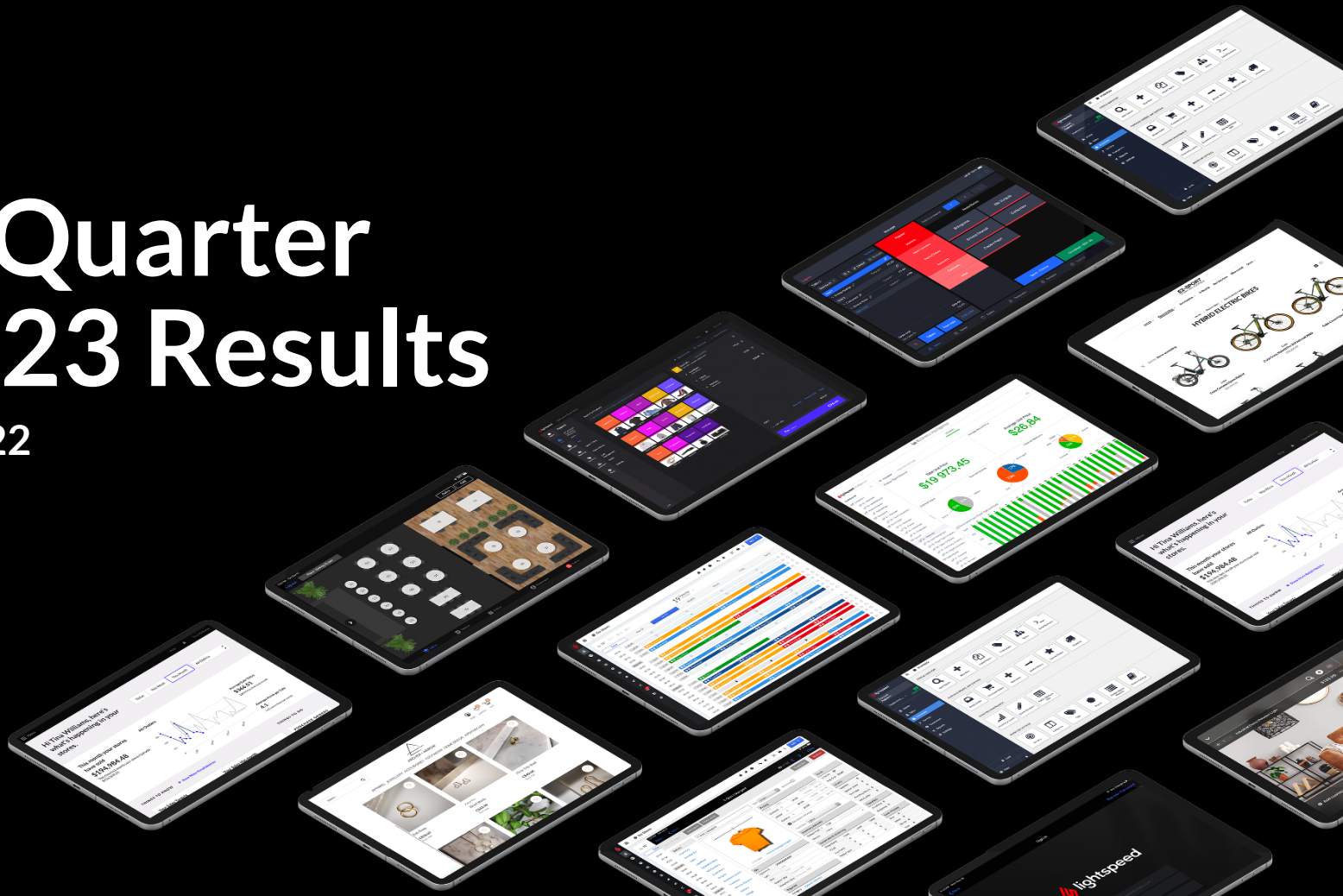
First Quarter FY2023 Results

August 4, 2022



lightspeed

Disclaimer

General

All references in this presentation to the "Company", "Lightspeed", "us" or "we" are to Lightspeed Commerce 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 (including revenues, Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue) and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, profitability, performance, achievements, opportunities or the markets in which we operate, prospects and customers, the achievement of advances in and expansion of our platform, expectations regarding our revenue and the revenue generation potential of our payment-related and other solutions, expectations regarding our gross margins and future profitability, expected acquisition outcomes and synergies, and the impact of 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, under "Risk Factors" in our most recent Annual Information Form, and in our filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, all of which are available under our profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. 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 Ratios and Industry Metrics

This presentation makes reference to certain non-IFRS measures and ratios 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 Appendix B for more details on such non-IFRS measures and ratios, the definition of "Adjusted EBITDA" and "Adjusted EBITDA as a percentage of revenue" and a reconciliation of such non-IFRS measures and ratios to the most directly comparable IFRS measure. In addition, the terms "Average Revenue Per User" or "ARPU", "Customer Locations", "Gross Payment Volume" or "GPV" and "Gross Transaction Volume" or "GTV" 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

$22.1B[3]
($21.5B Excluding Ecwid)[4]
Q1'23 Gross Transaction Volume ("GTV")

~326,000[1][3]
(~166,000 Excluding Ecwid)[4]
Customer Locations

$3.3B[3]
Q1'23 Gross Payment Volume ("GPV")



~$170[1][3]
(~$320 Excluding Ecwid)[4]
ARPU

$173.9M
Q1'23 Revenue

50%[2]
YoY Revenue Growth

95%
Recurring Subscription & Transaction-based Revenue (Q1'23)

(1) As at June 30, 2022.
(2) Three months ended June 30, 2022 vs June 30, 2021.
(3) Key Performance Indicator see Appendix A.
(4) Excluding Ecwid means excluding Customer Locations or GTV attributable to the Ecwid eCommerce standalone product.

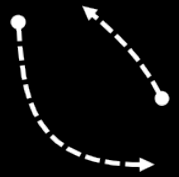
Lightspeed ignites businesses everywhere.



A comprehensive commerce OS for sophisticated independent businesses

Suppliers





Lightspeed Merchant Platform

Comprehensive Back-Office Suite

Manage your operations with ease, no matter the complexity

- Complex Workflows
- Employee and Inventory Management
- Product and Menu Management
- Bookings and Membership Management
- Floor & Table Management
- Customer Management
- Discounts, Price Rules & Gift Cards
- Reporting, Analytics and Dashboards
- Accounting
- Loyalty and Subscriptions
- B2B Platform
- •••

Omni-Channel Reach

Engage with your customers wherever they are

- In-Store Cloud POS
- eCommerce
- Mobile
- Curbside Pickup and Delivery
- Marketplaces / Platforms
- Order Ahead
- APIs

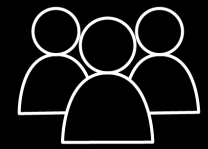
Payments & Financing

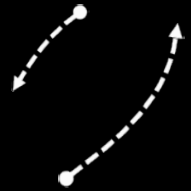
Tailored financial solutions

- Lightspeed Payments
- Lightspeed Capital

Open API Supporting an Ecosystem of Integrated Partners

Consumers





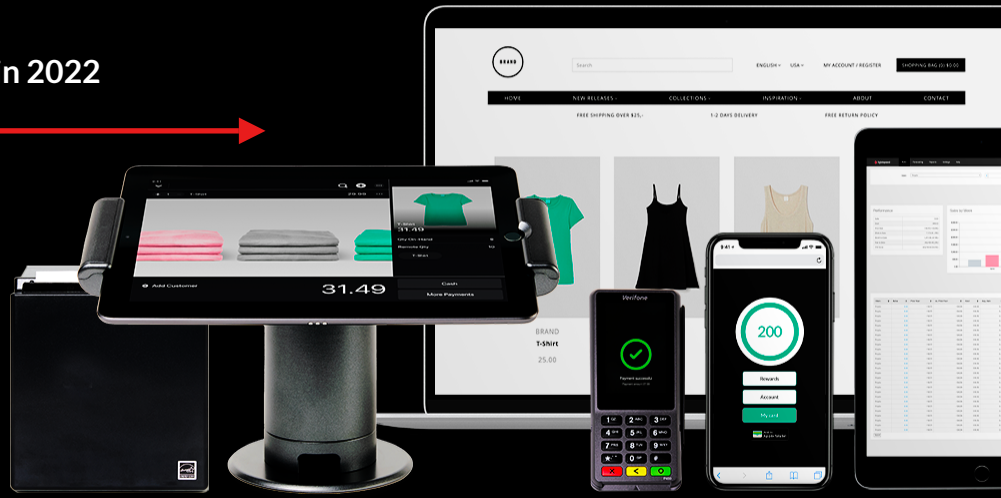
Track record of innovative solutions for the evolving needs of independent merchants

A history of transformative innovation in commerce…

- Mac-based Retail POS solutions
- Mobile-based POS solutions
- Cloud-based POS solutions
- Reporting and Analytics
- POS solutions for Restaurants
- Omnichannel engagement
- Home Delivery
- Loyalty
- Lightspeed Payments

…accelerating in 2022

- Payments for Golf
- B2B Platform
- Global Retail & Restaurant flagships



B2B Platform

- ✓ B2B Platform - Initial release in June, 2022.
- ✓ Groundbreaking network that **will connect brands and retailers,** enabling businesses to discover new products, gain insights, and access product catalogs and integrated ordering on **one network.**
- ✓ Verticals include fashion, apparel, footwear, outdoor, and sports.



Notable new customers

One of Belgium's largest bakery groups, Panos, has 30 years of experience serving the Belgian breakfast and bakery market. Panos has selected Lightspeed's flagship restaurant platform for 100 of its locations to manage operations and maintain tradition.



Parker Palm Springs, one of North America's premiere independent luxury hotels will be joining Lightspeed with Lightspeed Restaurant and Lightspeed Payments. The boutique Palm Springs resort is home to numerous luxurious amenities and the Palm Springs Yacht Club.

Kualoa Ranch in Oahu, Hawaii, recently joined Lightspeed using Lightspeed's flagship retail offering, e-commerce, payments and analytics. Known more famously for Jurassic Park, Kualoa Ranch has been the site of over 70 Hollywood movies including Jumanji, Pearl Harbor, and 50 First Dates.

Lightspeed's multiple growth vectors

Expand Customer Location Footprint



- **Significant potential to increase penetration of our total addressable market**, attract new customers and drive customers to adopt cloud-based systems in place of legacy systems
- Expand in existing markets and **target new geographies and verticals**

Build on Successes in Payments and Financial Solutions



- **Highly complementary to current offering** and allows us to monetize a larger portion of GTV
- **Lightspeed Capital** provides additional lane of growth

Accelerate ARPU Expansion by Introducing New Modules



- Large portion of existing customers are **adopting additional modules as they grow**
- Moving to **two core platforms** (Retail & Restaurant) should allow for greater module adoption

Expand Presence Within Verticals



- Become **embedded within the ecosystem of verticals**
- Monetize data up and down the supply chain

Pursue Strategic and Value Enhancing M&A



- **Leverage acquired expertise** to facilitate continued growth
- Identify targets to increase market penetration, enter new verticals and accelerate product roadmap

Financial overview

Financial model characteristics

Features

Recurring Subscriptions + **Recurring Payments** =

New customers | More locations | More modules

% of transaction volume



Benefits

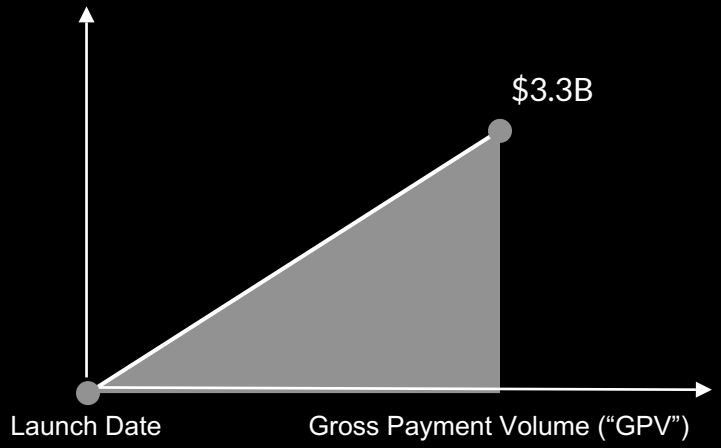
95%
Recurring Subscription & Transaction-based Revenue(1)

Excluding Ecwid(2), Growth in Average Revenue / Customer Location (ARPU)(3)

First quarter GPV of $3.3 billion(1) increased 96% YoY(3)

(1) For the three months ended June 30, 2022.
(2) Excluding Ecwid means excluding Customer Locations attributable to the Ecwid eCommerce standalone product.
(3)Three months ended June 30, 2022 vs June 30, 2021.

The Lightspeed Payments opportunity



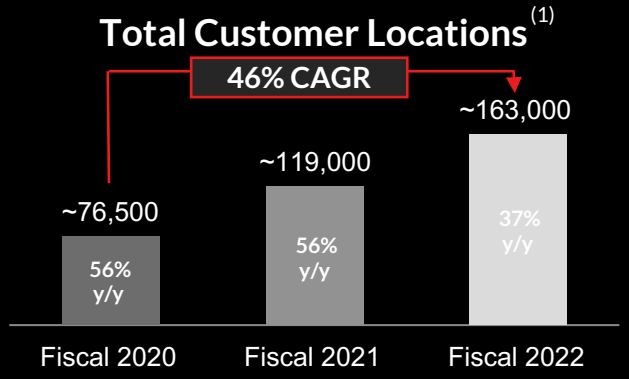
Currently processed through our our Payments Solutions

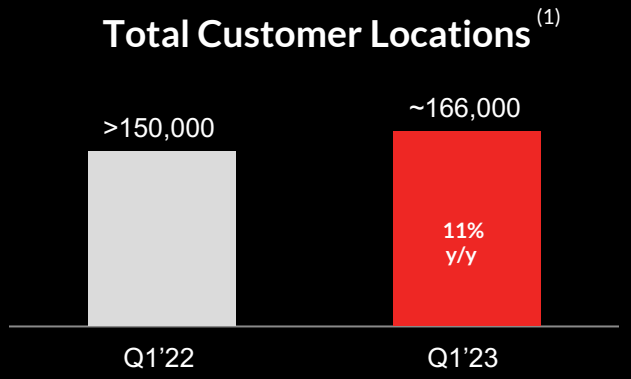
$22.1B [1]
($21.5B Excluding Ecwid) [2]
Q1’23 GTV

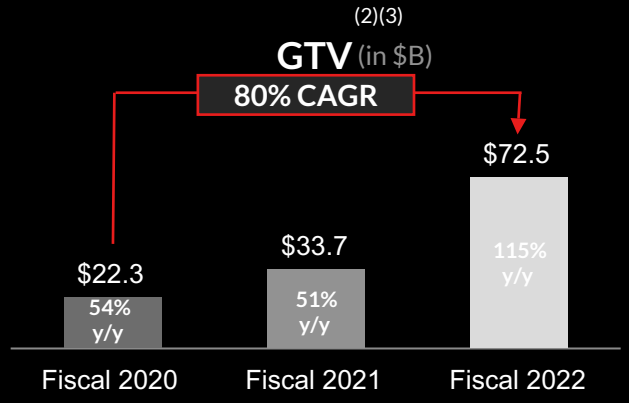
Long-Term GTV Opportunity

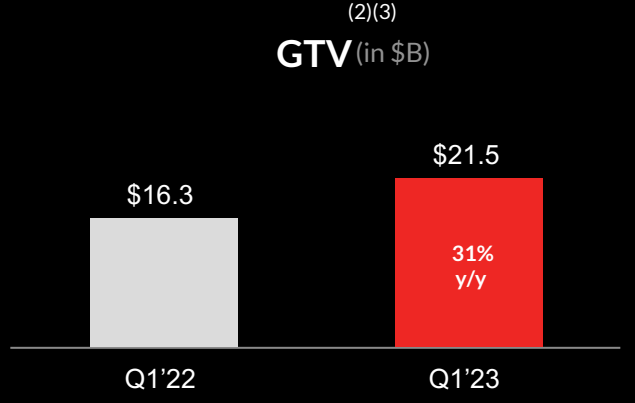
(1) GTV does not represent revenue generated by Lightspeed. See Appendix A.
(2) Excluding Ecwid means excluding GTV attributable to the Ecwid eCommerce standalone product.

Diverse, high-quality, growing customer base





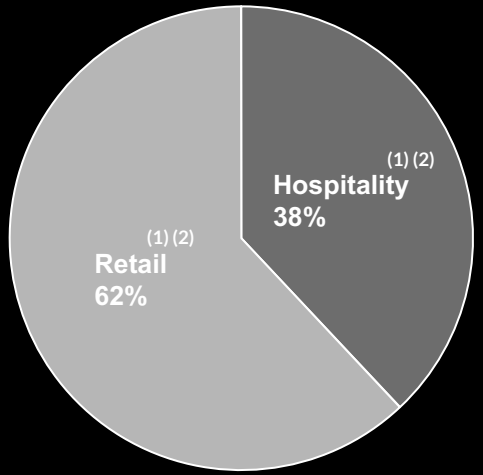


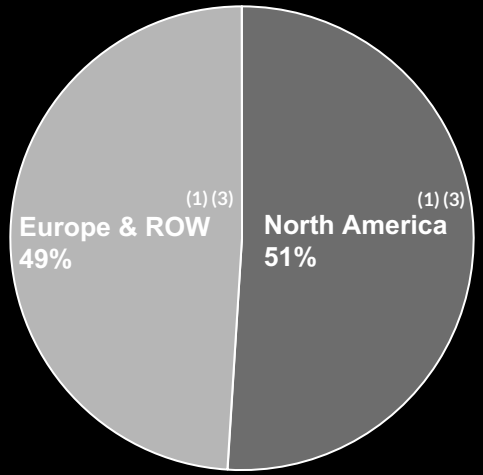


(1) Customer Locations presented as at June 30, 2022 and as at March 31, 2022 exclude Customer Locations attributable to the Ecwid eCommerce standalone product. When including Customer Locations attributable to the Ecwid eCommerce standalone product, our Customer Locations were approximately 326,000 as at June 30, 2022 (117% increase compared to June 30, 2021) and approximately 323,000 as at March 31, 2022 (171% increase compared to March 31, 2021).
(2) GTV presented excludes GTV attributable to the Ecwid eCommerce standalone product. When including GTV attributable to the Ecwid eCommerce standalone product, GTV was $22.1 billion for the three months ended June 30, 2022 (36% increase compared to June 30, 2021) and $74.0 billion for the fiscal year ended March 31, 2022 (119% increase compared to the fiscal year ended March 31, 2021) .
(3) GTV does not represent revenue generated by Lightspeed. See Appendix A.

Global footprint with strength across diversified end markets

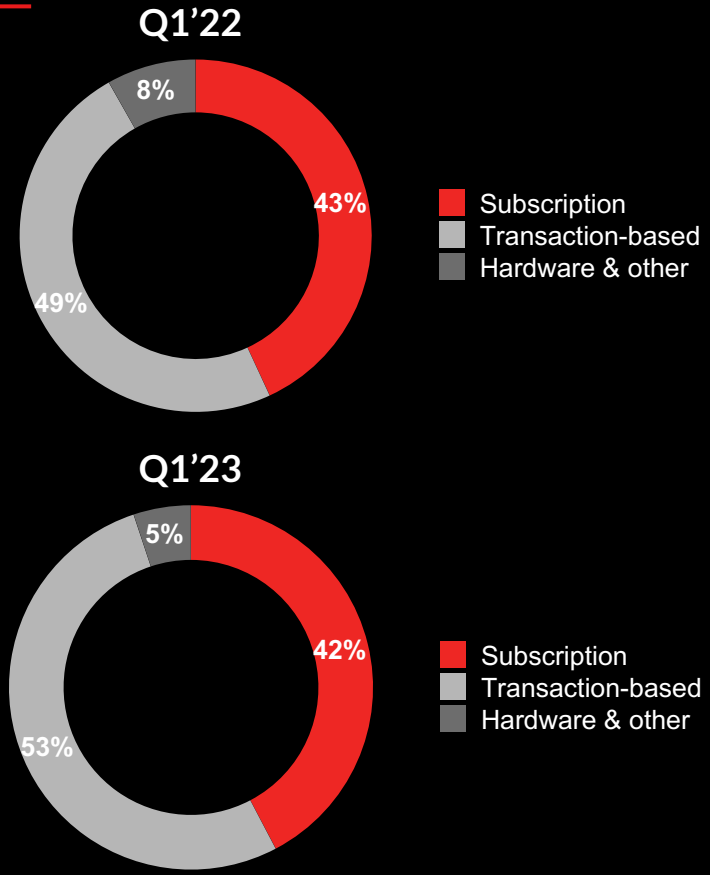
- **Diversified Merchant Base Across Geographies and Verticals**
- **Scale in Highly Fragmented Markets**
- **Leadership Position in North American Market with Growing Global Presence**

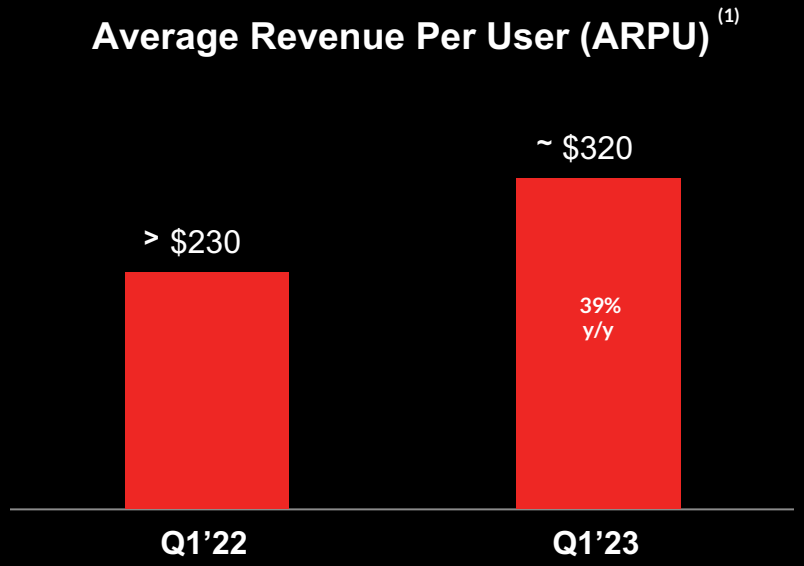




(1) Customer Location count, industry and geographic distribution is approximate as of June 30, 2022.
(2) Split of the Customer Locations excludes Customer Locations attributable to the Ecwid eCommerce standalone product. When including Customer Locations attributable to the Ecwid eCommerce standalone product, the split between retail and hospitality represents approximately 81% and 19% of our total Customer Locations, respectively.
(3) Split of the Customer Locations includes Customer Locations attributable to the Ecwid eCommerce standalone product.

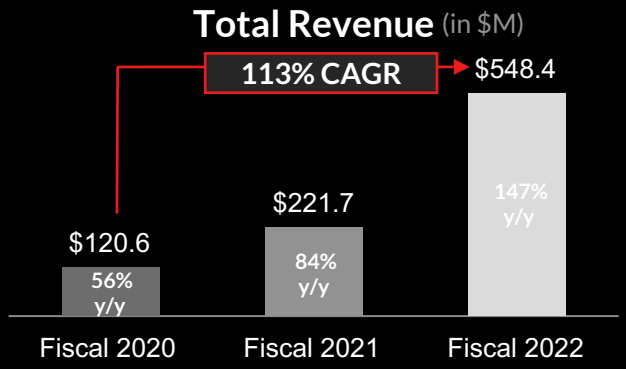
Shifting sales mix – growing ARPU

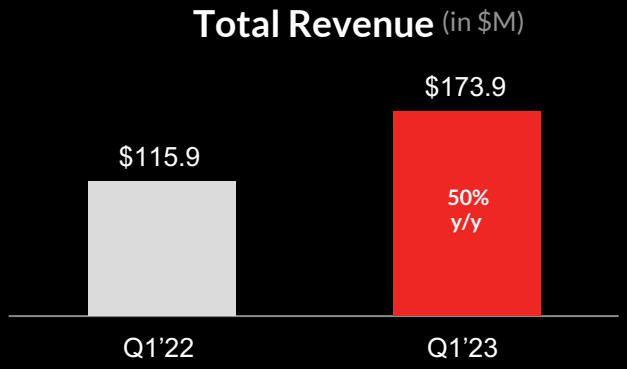


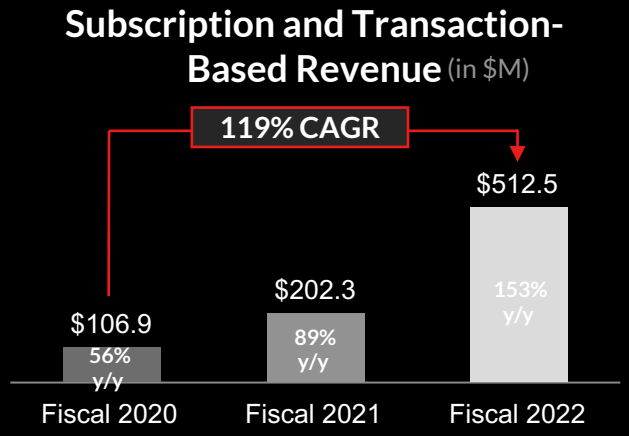


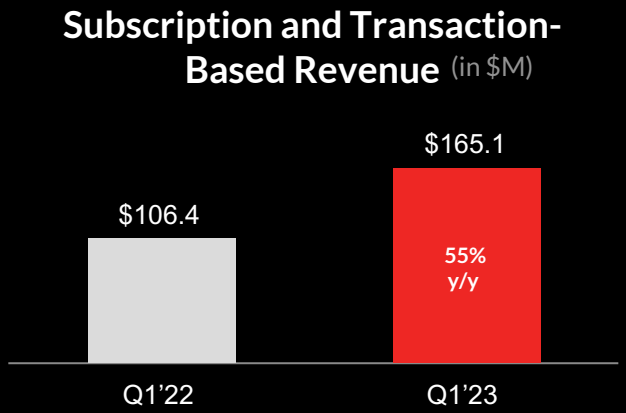
(1) ARPU excludes Customer Locations attributable to the Ecwid eCommerce standalone product, which generally carry a lower ARPU. Including the Customer Locations attributable to the Ecwid eCommerce standalone product, our customers generated monthly ARPU of approximately $170 per Customer Location for the three months ended June 30, 2022 (26% decrease compared to June 30, 2021).

Strong revenue growth









Profitability

Adjusted EBITDA[(1)] (in $M)



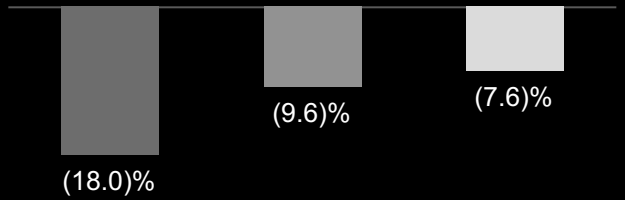
	Fiscal 2020	Fiscal 2021	Fiscal 2022
Net Loss	$(53.5)	$(124.3)	$(288.4)

Adjusted EBITDA[(1)] (in $M)



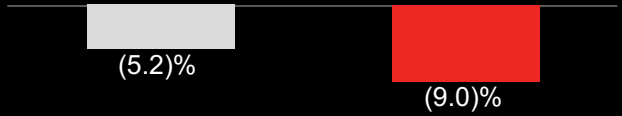
	Q1'22	Q1'23
Net Loss	$(49.3)	$(100.8)

Adjusted EBITDA as % of Revenue[(1)]



	Fiscal 2020	Fiscal 2021	Fiscal 2022
Net Loss as a % of Revenue	(44.4)%	(56.0)%	(52.6)%

Adjusted EBITDA as % of Revenue[(1)]



	Q1'22	Q1'23
Net Loss as a % of Revenue	(42.6)%	(58.0)%

 (1) This is a Non-IFRS measure or ratio. Please see Appendix B for Non-IFRS Measures and Ratios definition and the reconciliation to the most directly comparable IFRS measure.

Investment highlights

- ✓ The one-stop commerce platform for merchants around the world to **simplify**, **scale** and provide **exceptional customer experiences**
- ✓ **Large total addressable market** mainly served by legacy systems poorly equipped to deal with an omnichannel, post-Covid economy
- ✓ **Strong and consistent growth** with vast majority of revenue generated from recurring subscriptions and transactions
- ✓ **Growing and diverse customer base** driving $22.1B ($21.5B excluding Ecwid)[1] GTV globally in Q1'23 [2]
- ✓ **Lightspeed Payments driving significant growth** from global customer base
- ✓ **Well capitalized with ~$915M** in unrestricted cash[3]



(1) Excluding Ecwid means excluding GTV attributable to the Ecwid eCommerce standalone product.
(2) GTV does not represent revenue generated by Lightspeed. See Appendix A.
(3) As at June 30, 2022.

APPENDIX A

Appendix A – Industry metrics

“Average Revenue per User” or “ARPU” represents the total subscription revenue and transaction-based revenue of the Company in the period divided by the number of Customer Locations of the Company in the period. For greater clarity, the number of Customer Locations of the Company in the period is calculated by taking the average number of Customer Locations throughout the period.

“Customer Location” means a billing merchant location for which the term of services have not ended, or with which we are negotiating a renewal contract, and, in the case of NuORDER, a brand with a direct or indirect paid subscription for which the terms of services have not ended or in respect of which we are negotiating a subscription renewal. A single unique customer can have multiple Customer Locations including physical and eCommerce sites and in the case of NuORDER, multiple subscriptions. We believe that our ability to increase the number of Customer Locations served by our platform is an indicator of our success in terms of market penetration and growth of our business. We have successfully demonstrated a history of growing the number of our Customer Locations.

“Gross Payment Volume” or “GPV” means the total dollar value of transactions processed, excluding amounts processed through the NuORDER solution, in the period through our payments solutions in respect of which we act as the principal in the arrangement with the customer, net of refunds, inclusive of shipping and handling, duty and value-added taxes. We believe that growth in our GPV demonstrates the extent to which we have scaled our payments solutions. As the number of Customer Locations using our payments solutions grows, we will generate more GPV and see higher transaction-based revenue. We have excluded amounts processed through the NuORDER solution from our GPV because they represent business-to-business volume rather than business-to-consumer volume and we do not currently have a robust payments solution for business-to-business volume.

“Gross Transaction Volume” or “GTV” means the total dollar value of transactions processed through our cloud-based software-as-a-service platform, excluding amounts processed through the NuORDER solution, in the period, net of refunds, inclusive of shipping and handling, duty and value-added taxes. We believe GTV is an indicator of the success of our customers and the strength of our platform. GTV does not represent revenue earned by us. We have excluded amounts processed through the NuORDER solution from our GTV because they represent business-to-business volume rather than business-to-consumer volume and we do not currently have a robust payments solution for business-to-business volume.

APPENDIX B

Appendix B – Non-IFRS measures and ratios

The information presented within this presentation includes certain financial measures and ratios such as “Adjusted EBITDA”, and "Adjusted EBITDA as a percentage of revenue". These measures and ratios are not recognized measures and ratios under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures and ratios presented by other companies. Rather, these measures and ratios are provided as additional information to complement those IFRS measures and ratios by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures and ratios should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and ratios are used to provide investors with supplemental measures and ratios of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures and ratios. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and ratios in the evaluation of issuers. Our management also uses non-IFRS measures and ratios in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Appendix B – Non-IFRS measures and ratios (cont'd)

Adjusted EBITDA is defined as net loss excluding interest, taxes, depreciation and amortization, or EBITDA, as adjusted for share-based compensation and related payroll taxes, compensation expenses relating to acquisitions completed, foreign exchange gains and losses, transaction-related costs, restructuring and litigation provisions. Adjusted EBITDA as a percentage of revenue is calculated by dividing our Adjusted EBITDA by our revenue. The following table reconciles net loss to Adjusted EBITDA for the periods indicated:

(In thousands of US dollars)	Three months ended June 30,		Fiscal year ended March 31,		
	2022	2021	2022	2021	2020
	$	$	$	$	$
Net Loss	(100,796)	(49,337)	(288,433)	(124,278)	(53,531)
Net loss as a percentage of revenue	(58.0)%	(42.6)%	(52.6)%	(56.0)%	(44.4)%
Share-based compensation and related payroll taxes[1]	38,302	16,675	109,066	44,755	9,930
Depreciation and amortization[2]	29,144	19,507	104,548	36,483	13,467
Foreign exchange loss (gain)[3]	443	249	611	2,098	(395)
Net interest (income) expense[2]	(2,007)	(226)	(2,988)	353	(1,766)
Acquisition-related compensation[4]	17,103	2,014	50,491	11,807	11,087
Transaction-related costs[5]	2,174	5,296	9,653	11,615	2,658
Restructuring[6]	1,207	197	803	1,760	—
Litigation provisions[7]	918	1,205	1,655	—	—
Income tax recovery	(2,089)	(1,594)	(26,921)	(5,792)	(3,110)
Adjusted EBITDA	**(15,601)**	**(6,014)**	**(41,515)**	**(21,199)**	**(21,660)**
Adjusted EBITDA as a percentage of revenue	**(9.0)%**	**(5.2)%**	**(7.6)%**	**(9.6)%**	**(18.0)%**

Appendix B – Non-IFRS measures and ratios (cont'd)

(1) These expenses represent non-cash expenditures recognized in connection with issued stock options and other awards under our equity incentive plans to our employees and directors as well as related payroll taxes given that they are directly attributable to share-based compensation; they can include estimates and are therefore subject to change. For the three months ended June 30, 2022, share-based compensation expense was $38,528 (June 2021 - expense of $12,387), and related payroll taxes was a recovery of $226 (June 2021 - expense of $4,288). These costs are included in direct cost of revenues, general and administrative expenses, research and development expenses and sales and marketing expenses (see note 6 of the unaudited condensed interim consolidated financial statements for additional details).

(2) In connection with the accounting standard IFRS 16 - Leases, for the three months ended June 30, 2022, net loss includes depreciation of $2,047 related to right-of-use assets, interest expense of $271 on lease liabilities, and excludes an amount of $2,092 relating to rent expense ($1,625, $310, and $1,756, respectively, for the three months ended June 30, 2021).

(3) These non-cash gains and losses relate to foreign exchange translation.

(4) These costs represent a portion of the consideration paid to acquired businesses that is contingent upon the ongoing employment obligations for certain key personnel of such acquired businesses, and/or on certain performance criteria being achieved.

(5) These expenses relate to professional, legal, consulting, accounting, advisory, and other fees relating to our public offerings and acquisitions that would otherwise not have been incurred. These costs are included in general and administrative expenses and sales and marketing expenses.

(6) Certain functions and the associated management structure were reorganized and will continue to be reorganized to realize synergies and ensure organizational agility. The expenses associated with this reorganization were recorded as a restructuring charge.

(7) These costs represent provisions taken and other costs, such as legal fees, incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnifications. These costs do not include provisions taken and other costs incurred in respect of litigation matters of a nature that we consider normal to our business. These costs are included in general and administrative expenses.

Contact us

investorrelations@lightspeedhq.com



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