Second Quarter FY2023 Results

November 3, 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 revenue, revenue at constant currency, 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, performance, achievements, prospects or opportunities or the markets in which we operate; macroeconomic conditions such as increasing inflationary pressures, interest rates, and global economic uncertainty; events such as the ongoing COVID-19 pandemic and the Russian Invasion of Ukraine; and expectations regarding industry and consumer spending trends, our growth rates, the achievement of advances in and expansion of our platform, our revenue and the revenue generation potential of our payment-related and other solutions, our gross margins and future profitability, acquisition outcomes and synergies, the impact of legal proceedings, the impact of foreign currency fluctuations on our results of operations, our business plans and strategies and our competitive position in our industry, 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", "Adjusted EBITDA as a percentage of revenue" , "Revenue at constant currency" and "Revenue growth at constant currency" 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", "Gross Transaction Volume" or "GTV"and "Gross Transaction Volume at constant currency" or "GTV at constant currency" 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

~167,000 (1)(3)
Customer Locations (Excluding Ecwid)(4)

$21.7B (3)
Q2'23 Gross Transaction Volume ("GTV") (Excluding Ecwid)(4)

$3.7B (3)
Q2'23 Gross Payment Volume ("GPV")



~$337 (1)(3)
ARPU (Excluding Ecwid)(4)

$183.7M
Q2'23 Revenue

38% (2)
YoY Revenue Growth
41% revenue growth rate at constant currency (2)(5)

96%
Recurring Subscription & Transaction-based Revenue (Q2'23)

(1) As at September 30, 2022.
(2) Three months ended September 30, 2022 vs September 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.
(5) 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.

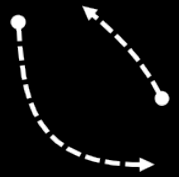
Lightspeed ignites businesses everywhere.



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

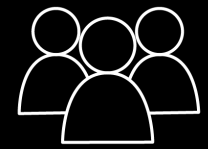
Payments & Financing

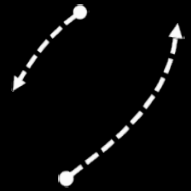
Tailored financial solutions

- Lightspeed Payments
- Lightspeed Capital

Open API Supporting an Ecosystem of Integrated Partners

Consumers





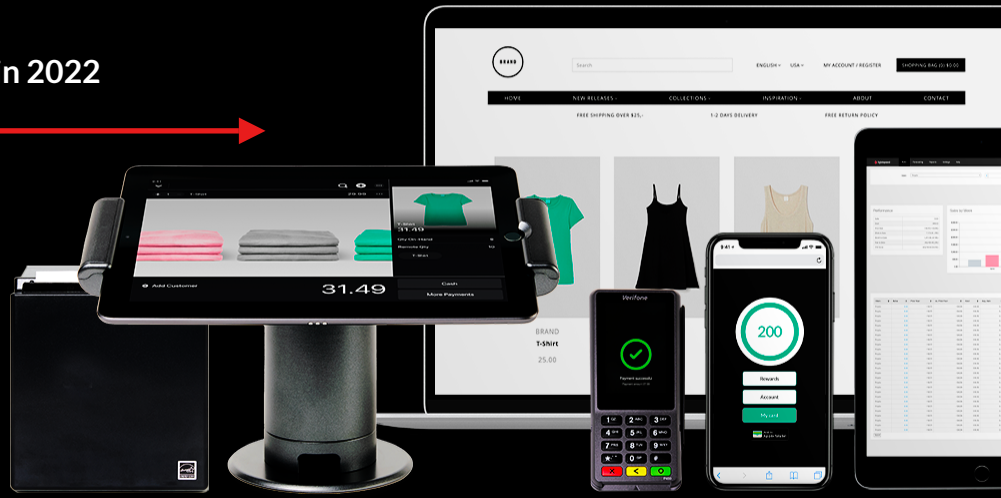
Track record of innovative solutions for the evolving needs of independent merchants

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

- Advanced Insights
- 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



The Consulate is a hot-spot French casual fine-dining restaurant located on the Upper West Side of Manhattan. Featuring creative dishes by an executive chef with a 3-Michelin Star background, The Consulate utilizes Lightspeed for its strong analytics functionality.

L'OSTERIA

L'Osteria has over 130 locations in Germany and is expanding through Europe. They have signed up to adopt Lightspeed Restaurant and Payments. L'Osteria is famous for the best pizza and pasta d'amore.

SPA L'OCCITANE • SPA L'OCCITANE •

Spa L'Occitane is a five star resort and spa in France that is adopting Lightspeed as their choice commerce platform. The well-known Spa L'Occitane will be utilizing Lightspeed Restaurant and Payments.

Lightspeed's multiple growth vectors

Accelerate ARPU Expansion by Introducing New Modules



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

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

Expand Customer Location Footprint



- **Significant potential** to increase penetration of our total addressable market, attract higher GTV customers and drive adoption of cloud-based systems in place of legacy systems

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

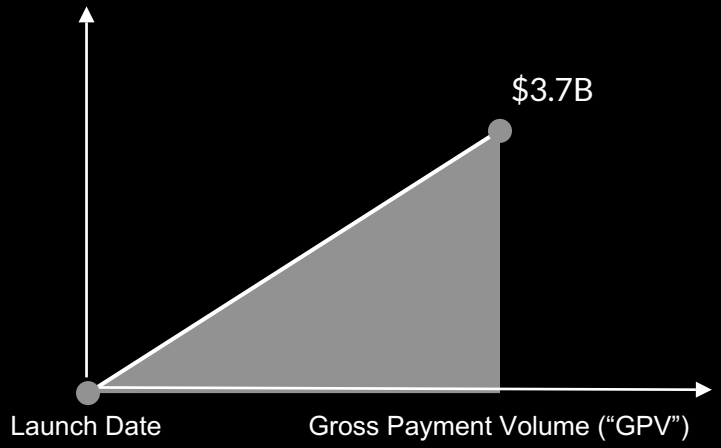
96% Recurring Subscription & Transaction-based Revenue[(1)]

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

First quarter GPV[(4)] of **$3.7 billion**[(1)] increased **86%** YoY[(3)]

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

The Lightspeed Payments opportunity



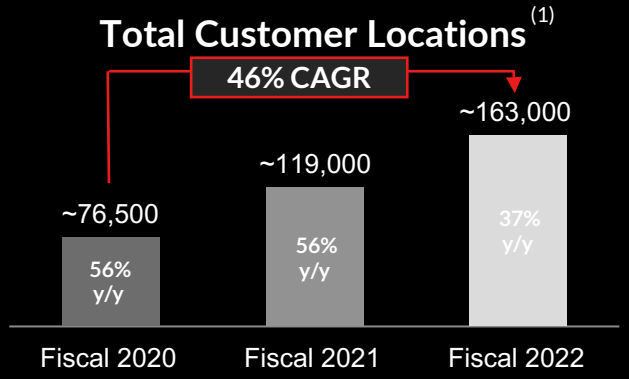
Currently processed through our our Payments Solutions

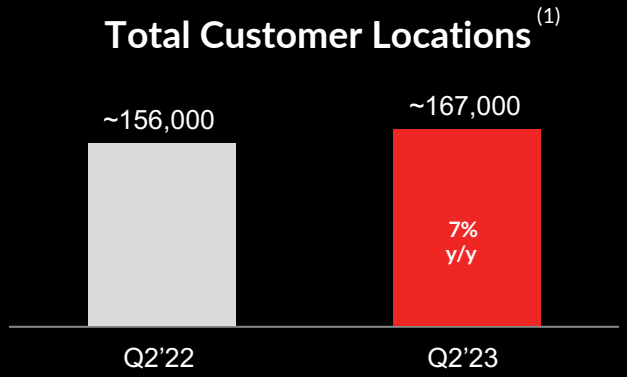
$22.3B [1]
($21.7B Excluding Ecwid) [2]
Q2’23 GTV

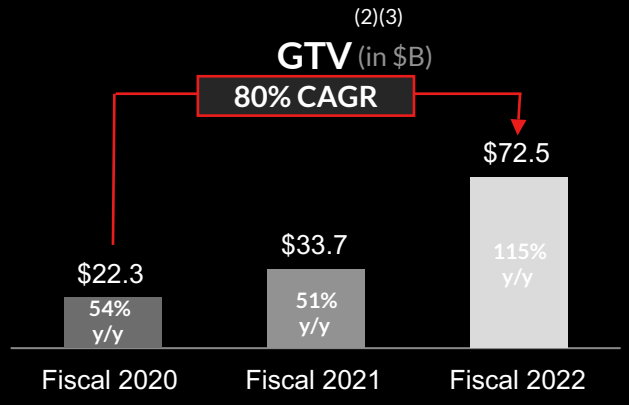
Long-Term GTV Opportunity

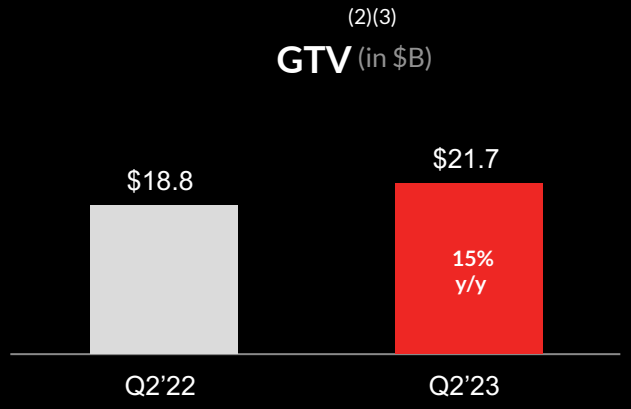
(1) GTV does not represent revenue generated by Lightspeed. See Appendix A.
(2) Excluding Ecwid means excluding GTV attributable to the Ecwid eCommerce standalone product.

Diverse, high-quality, growing customer base





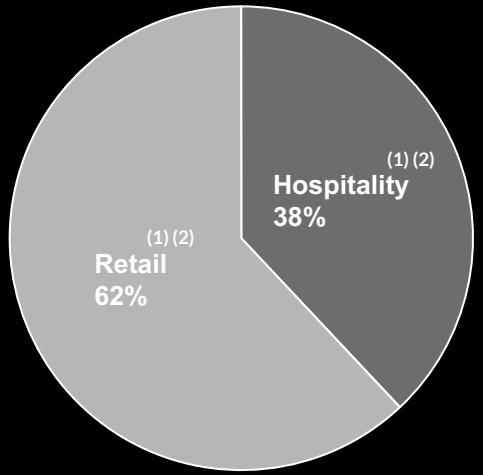


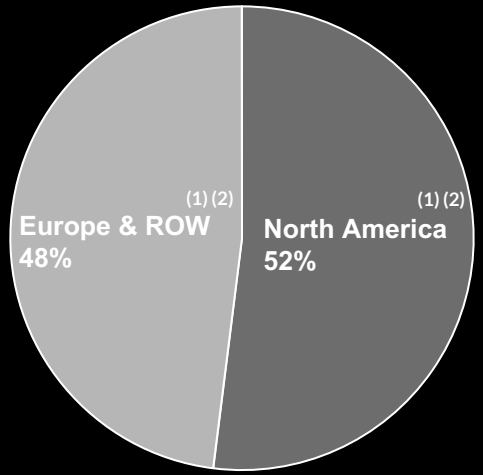


(1) Customer Locations presented as at September 30, 2022 and as at March 31, 2022 exclude Customer Locations attributable to the Ecwid eCommerce standalone product. When including Customer Locations attributable to the Ecwid eCommerce standalone product, our Customer Locations were approximately 320,000 as at September 30, 2022 (105% increase compared to September 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 $22.3 billion for the three months ended September 30, 2022 (18% increase compared to September 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**

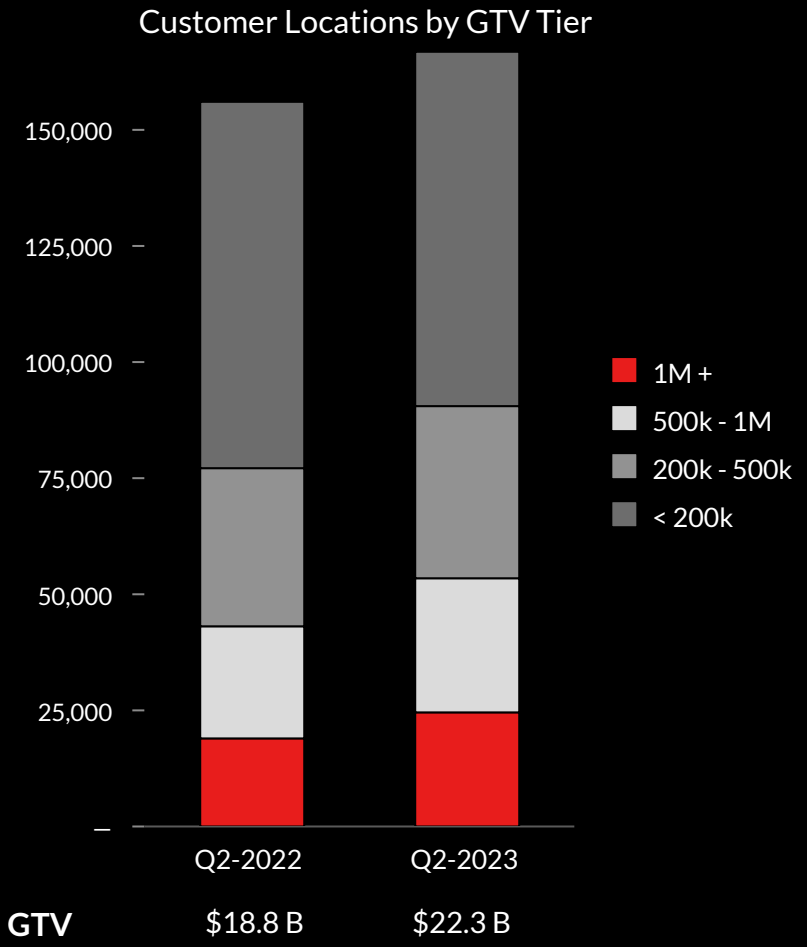




(1) Customer Location count, industry and geographic distribution is approximate as of September 30, 2022.
(2) Split of the Customer Locations excludes Customer Locations attributable to the Ecwid eCommerce standalone product.

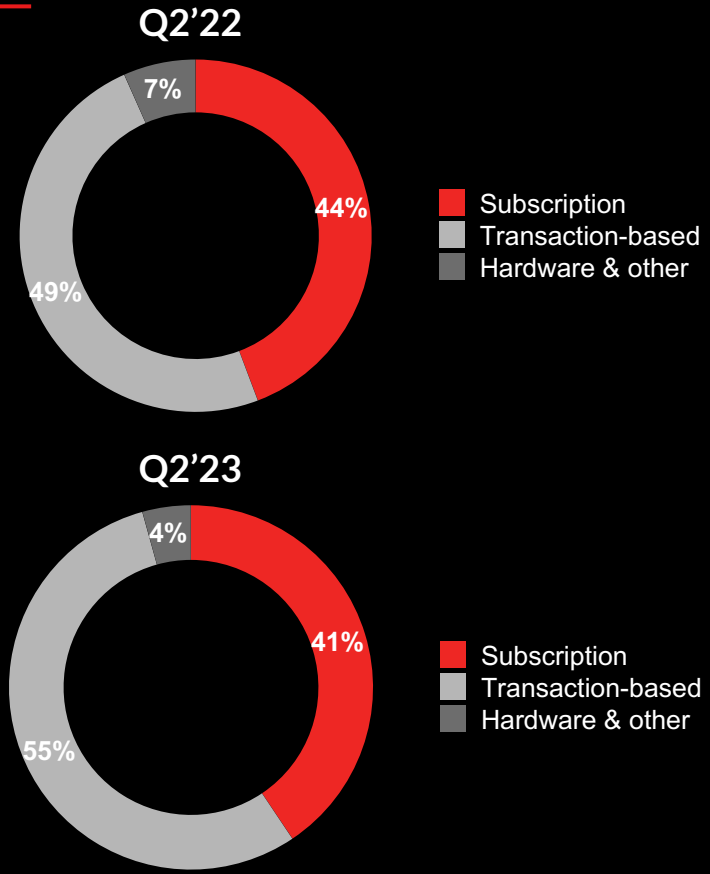
Growing with the right customer mix

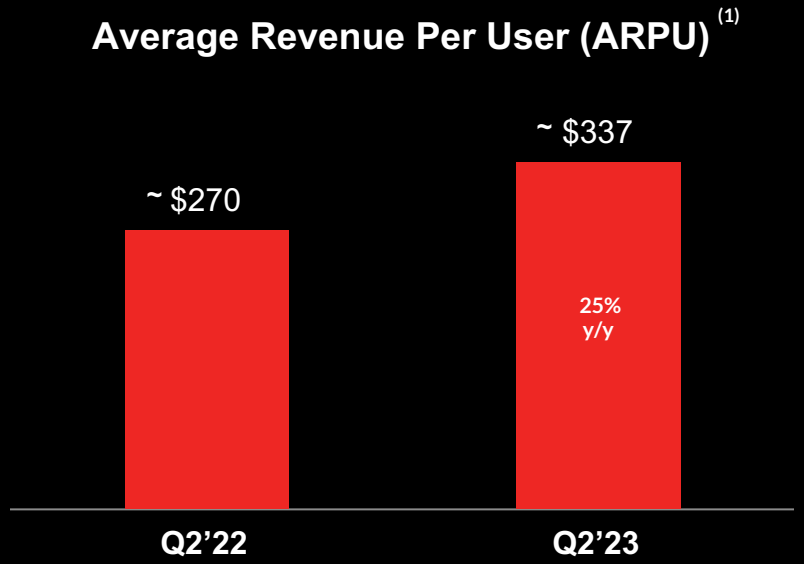
- GTV is growing faster than Customer Locations
- Lightspeed's customer base continued to shift towards higher GTV locations
- Customer Locations with GTV of over $500,000/year[(1)] increased ~25% year-over-year
- Customer Locations with GTV of over $1,000,000/year[(1)] increased ~30% year-over-year
- Customer Locations with GTV of over $500,000/year[(1)] have a lower risk of churn and higher life time value for Lightspeed compared to lower GTV/year customers
- Customer Locations with GTV of less than $200,000/year[(1)] declined year-over-year



(1) A Customer Location's GTV per year is calculated by annualizing the GTV for the months in which the Customer Location is actively processing in the last twelve months.

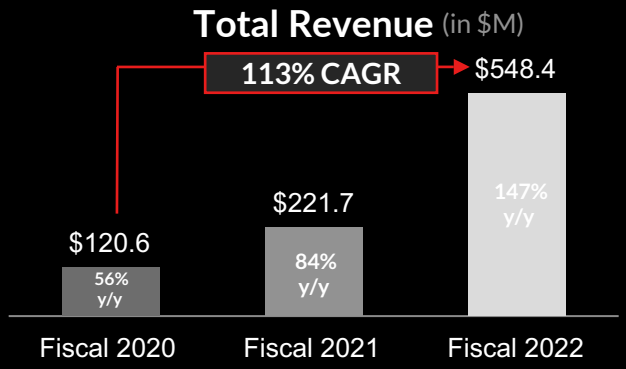
Shifting sales mix – growing ARPU

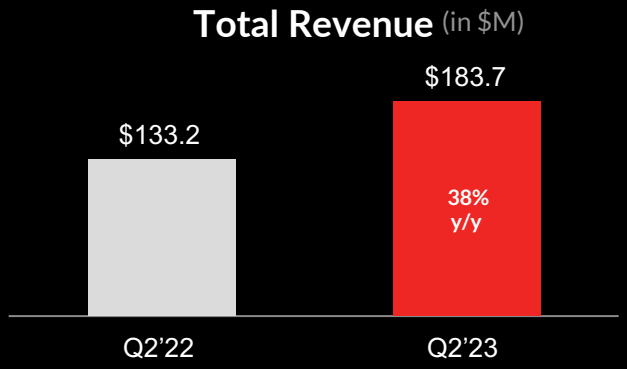


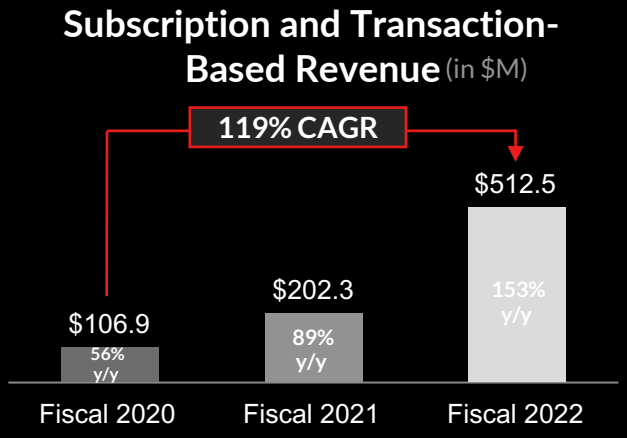


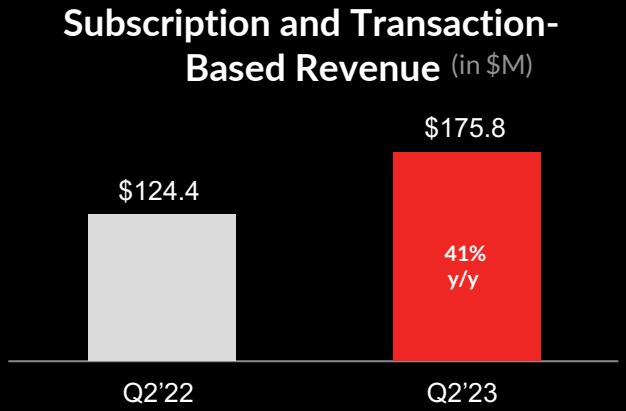
(1) ARPU excludes Customer Locations attributable to the Ecwid eCommerce standalone product, which generally carry a lower ARPU. Including the Customer Locations attributable to the Ecwid eCommerce standalone product, our customers generated monthly ARPU of approximately $182 per Customer Location for the three months ended September 30, 2022 (33% decrease compared to September 30, 2021).

Strong revenue growth









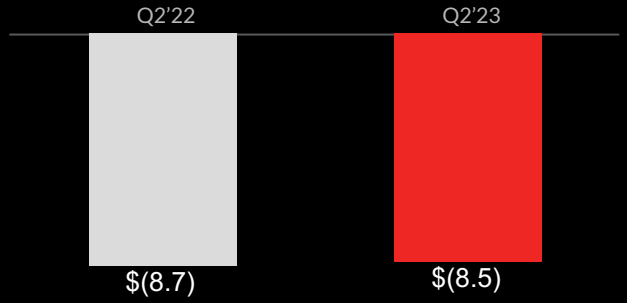
Profitability

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



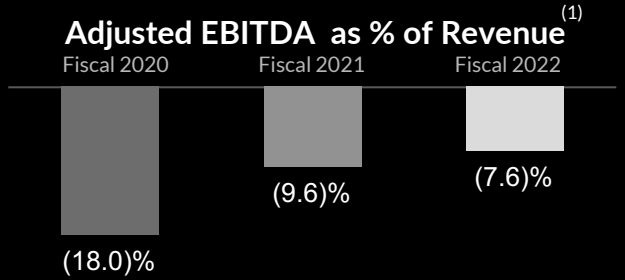
	Fiscal 2020	Fiscal 2021	Fiscal 2022
Net Loss	$(53.5)	$(124.3)	$(288.4)

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



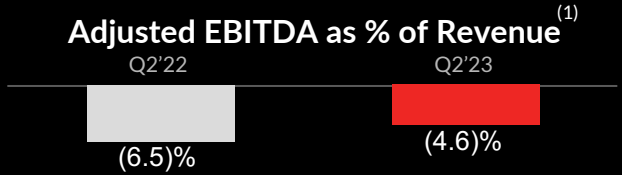
	Q2'22	Q2'23
Net Loss	$(59.1)	$(79.9)

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)]



	Q2'22	Q2'23
Net Loss as a % of Revenue	(44.4)%	(43.5)%

(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 $22.3B ($21.7B excluding Ecwid)[1] GTV globally in Q2'23 [2]
- ✓ **Lightspeed Payments driving significant growth** from global customer base
- ✓ **Well capitalized with ~$863M** 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 September 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, particularly those with a high GTV, is an indicator of our success in terms of market penetration and growth of our business.

"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.

Gross Transaction Volume at constant currency. "Gross Transaction Volume at constant currency" or "GTV at constant currency" means GTV adjusted for the impact of foreign currency exchange fluctuations. Current GTV for currencies other than US dollars is converted into US dollars using the average monthly exchange rates from the corresponding months in the prior fiscal year rather than the actual exchange rates in effect during the current period.

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”, "Adjusted EBITDA as a percentage of revenue", "Revenue at constant currency", and "Revenue growth at constant currency". 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 total revenue. The following table reconciles net loss to Adjusted EBITDA for the periods indicated:

(In thousands of US dollars, unaudited)	Three months ended September 30,		Fiscal year ended March 31,		
	2022	2021	2022	2021	2020
	$	$	$	$	$
Net Loss	(79,943)	(59,087)	(288,433)	(124,278)	(53,531)
Net loss as a percentage of revenue	(43.5)%	(44.4)%	(52.6)%	(56.0)%	(44.4)%
Share-based compensation and related payroll taxes[(1)]	34,928	28,798	109,066	44,755	9,930
Depreciation and amortization[(2)]	28,935	25,825	104,548	36,483	13,467
Foreign exchange loss (gain)[(3)]	29	6	611	2,098	(395)
Net interest (income) expense[(2)]	(4,851)	(719)	(2,988)	353	(1,766)
Acquisition-related compensation[(4)]	12,653	9,032	50,491	11,807	11,087
Transaction-related costs[(5)]	947	2,468	9,653	11,615	2,658
Restructuring[(6)]	603	—	803	1,760	—
Litigation provisions[(7)]	198	—	1,655	—	—
Income tax recovery	(2,022)	(14,977)	(26,921)	(5,792)	(3,110)
Adjusted EBITDA	**(8,523)**	**(8,654)**	**(41,515)**	**(21,199)**	**(21,660)**
Adjusted EBITDA as a percentage of revenue	**(4.6)%**	**(6.5)%**	**(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 and six months ended September 30, 2022, share-based compensation expense was $35,061 and $73,589, respectively (September 2021 - expense of $24,656 and $37,043), and related payroll taxes was a recovery of $133 and $359, respectively (September 2021 - expense of $4,142 and $8,430). 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 September 30, 2022, net loss includes depreciation of $2,063 related to right-of-use assets, interest expense of $251 on lease liabilities, and excludes an amount of $2,101 relating to rent expense ($2,008, $301, and $2,227, respectively, for the three months ended September 30, 2021). For the six months ended September 30, 2022, net loss includes depreciation of $4,110 related to right-of-use assets, interest expense of $522 on lease liabilities, and excludes an amount of $4,193 relating to rent expense ($3,633, $611, and $3,983, respectively, for the six months ended September 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.

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

Revenue at constant currency means revenue adjusted for the impact of foreign currency exchange fluctuations. Current revenue in currencies other than US dollars is converted into US dollars using the average monthly exchange rates from the corresponding months in the prior fiscal year rather than the actual exchange rates in effect during the current period. Revenue growth at constant currency means the year-over-year change in revenue at constant currency divided by reported revenue in the prior period. The following table reconciles revenue to revenue at constant currency, and revenue growth rate to revenue growth rate at constant currency, for the periods indicated:

(expressed in thousands of US dollars, except percentages, unaudited)

	Three months ended September 30,	Six months ended September 30,
	2022	**2022**
	$	**$**
Total revenue as reported	183,699	357,581
Foreign currency exchange impact on revenue[(1)]	3,520	6,428
Revenue at constant currency	187,219	364,009
Revenue growth rate	38 %	44 %
Revenue growth rate at constant currency	41 %	46 %
	2021	**2021**
Total revenue as reported	133,218	249,138

(1) Current revenue in currencies other than US dollars is converted into US dollars using the average monthly exchange rates from the corresponding months in the prior fiscal year rather than the actual exchange rates in effect during the current period.

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