

Fourth Quarter & FY 2019 Earnings

May 30, 2019

lightspeed

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.

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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 future 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 is forward-looking information.

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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 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 industry metrics, 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 30, 2019 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.

Strong Leadership



Dax Dasilva – CEO

- Founded Lightspeed in 2005
- 20+ years of entrepreneurship

JP Chauvet – President

- Joined Lightspeed in 2012 and served as Chief Revenue Officer before becoming President in 2016
- Formerly CEO of EMEA, Atex Group

Brandon Nussey – CFO

- Joined Lightspeed in 2018
- Previously served as CFO of D2L and Descartes Systems Group

Lightspeed at-a-glance



>$14.5B (2)
Gross Transaction Volume ("GTV")

>49,000 (2)
Customer Locations

~100 (2)
Countries

$77.5M
FY19 Revenue

36%
FY19 Revenue Growth

IPO (1)
March 2019

Lightspeed Payments
Launched Jan 2019

~90%
Recurring Software and Payments Revenue (FY19)

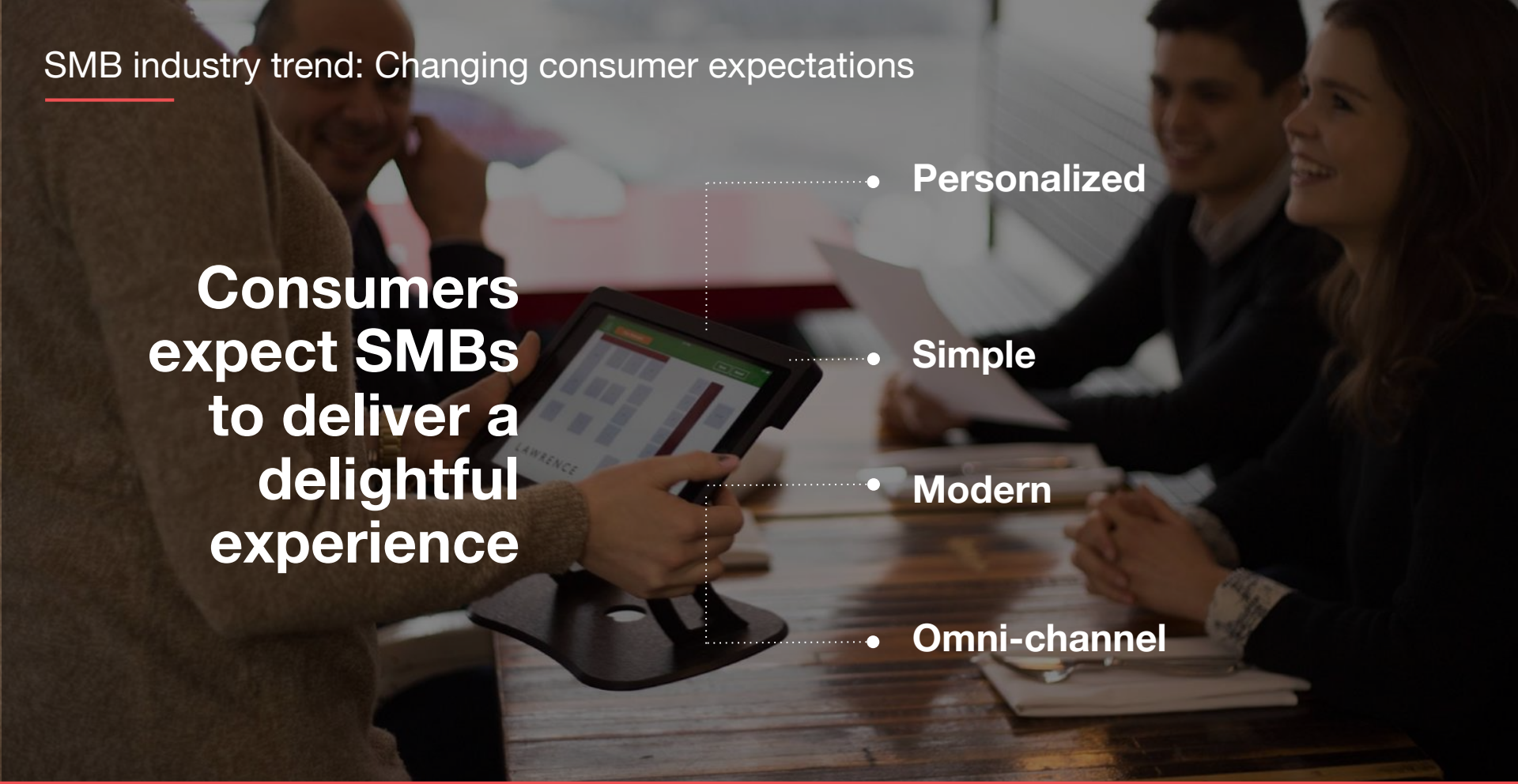
1. LSPD on the Toronto Stock Exchange
2. As of March 31, 2019



Lightspeed
Mission

“**Bringing cities and communities to life** by powering SMBs”

SMB industry trend: Changing consumer expectations



Consumers expect SMBs to deliver a delightful experience

- **Personalized**
- **Simple**
- **Modern**
- **Omni-channel**

The problem facing SMBs: Multiple point solutions to be stitched together

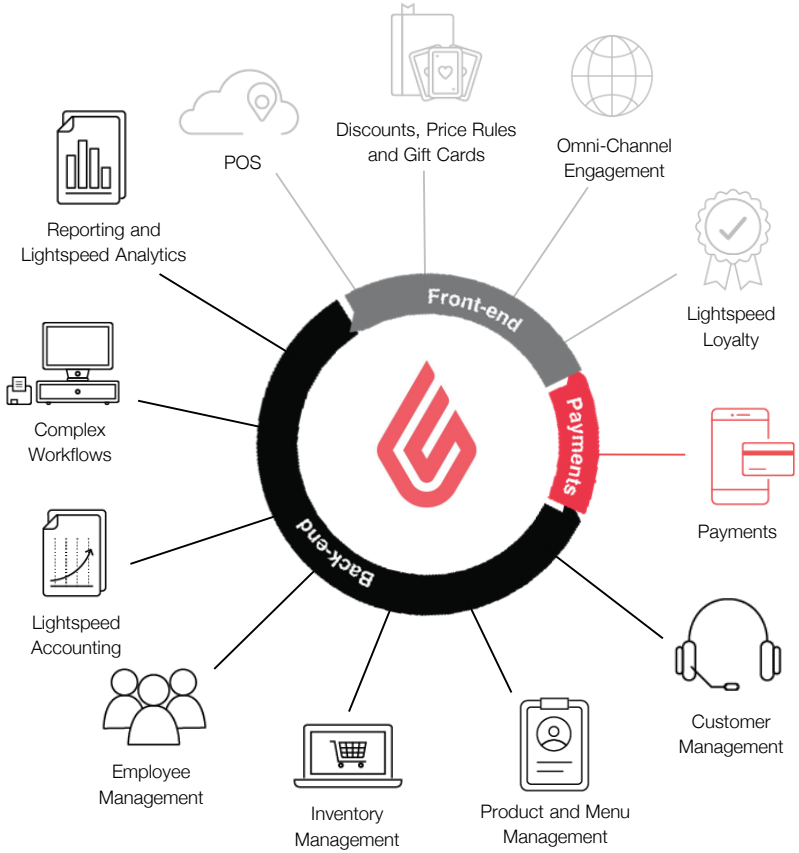
POS	Omni-Channel	Order Management	Discounts, Price Rules and Gift Cards	Loyalty	Customer Management	Payments	Integrated Payment Gateways
Product and Menu Management	Inventory Management	Employee Management	Accounting	Floor and Table Management	Complex Workflows	Reporting and Analytics	Real-Time Dashboard



Comprehensive solutions not previously available for SMBs

Lightspeed solution

Lightspeed's cloud-based platform is the hub of end-to-end commerce capabilities for retailers and restaurants



>49K customer locations: US, Canada, Europe, Australia

Lightspeed growth strategies



Attract New Merchants

- Large, underserved market
- ~20% growth in net new locations in FY19

Enter New Markets

- Leverage sales/marketing expertise
- >33% of FY19 revenue from outside North America

Expand ARPU

- More than one-third of customers have bought multiple product modules
- Strong early adoption of Loyalty and Payments

Accelerate Product Roadmap

Increase Market Penetration

Deliver Shareholder Value

Lightspeed's rapid product velocity is a hallmark trait

Recently Introduced New Products:

- **Lightspeed Loyalty:**
  - **Launched in 4Q'2019 to Retail and Restaurant customers in North America and Europe**
  - **Comprehensive suite of customer engagement services (spending/rewards/marketing)**
  - **Greater than 1,500 customer locations already utilizing Lightspeed Loyalty**

- **Lightspeed Payments:**
  - **Launched in 4Q'2019 to US Retail customers**
  - **Better user experience for customers; More attractive economics for Lightspeed**
  - **Majority of early adopters successfully processing live transactions by March 31**

chronogolf

- Longstanding strategic software partner utilizing Lightspeed Retail and Restaurant platform for a comprehensive club-management solution for more than 500 golf course operators
- New market subsegment where customers have a complex need for integrated retail, restaurant, booking and membership functionality
- High average GTV per customer creates cross-sell opportunities with existing products and an active funnel for new Payments offering
- Strong and well-known team headquartered in Montreal that will fit seamlessly within Lightspeed



Financial Overview

lightspeed

Business model characteristics

Features

Recurring Subscriptions
- New customers
- More locations
- More modules

+

Recurring Payments
- % of transaction volume

=

Benefits

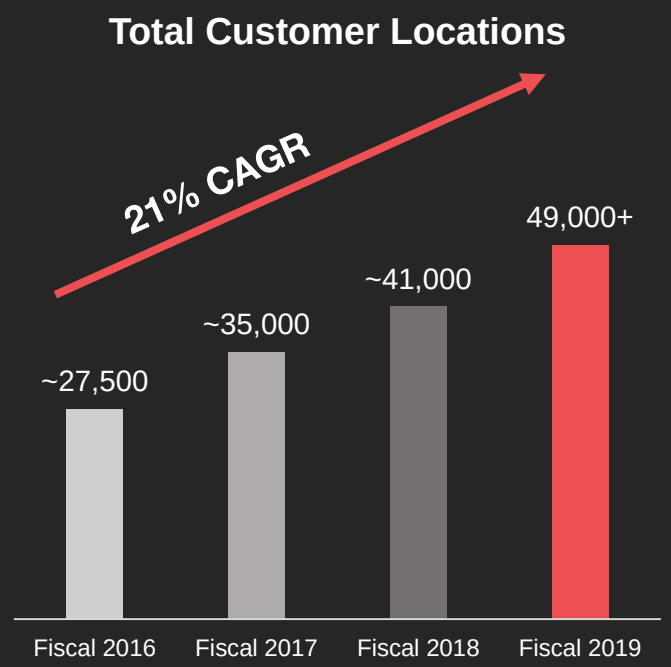
~90%
Recurring Software and Payments Revenue

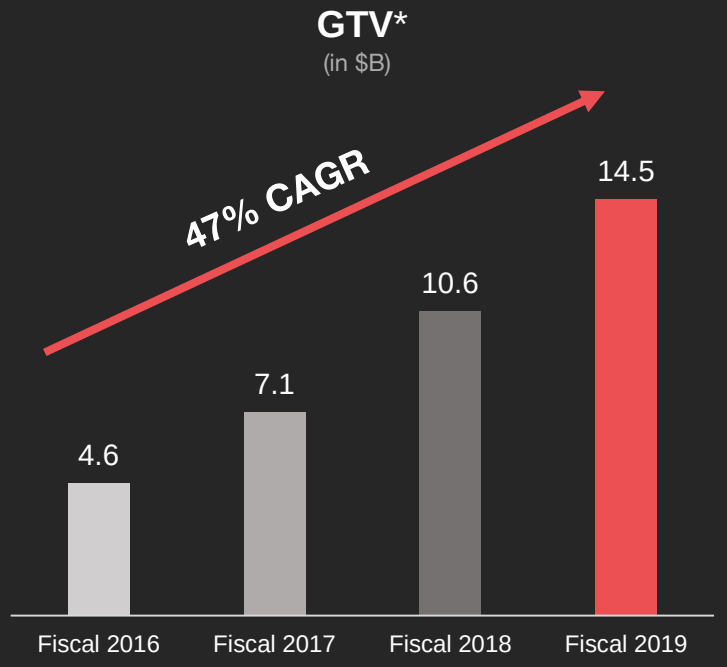
Growth in Average Revenue/Customer

Positive Net Dollar Retention Rates



Diverse, high-quality, growing customer base





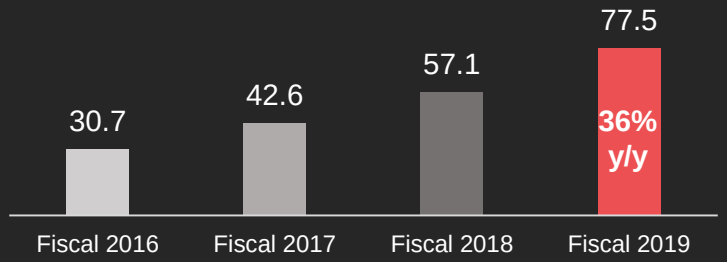
* GTV does not represent revenue generated by us. See Appendix A.

Significant growth in Customer Locations and GTV per location driving GTV growth; approx. one-third of customers buy multiple modules

Strong revenue growth

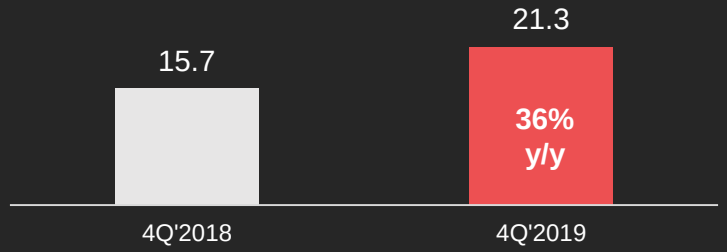
Total Revenue

(in $M)



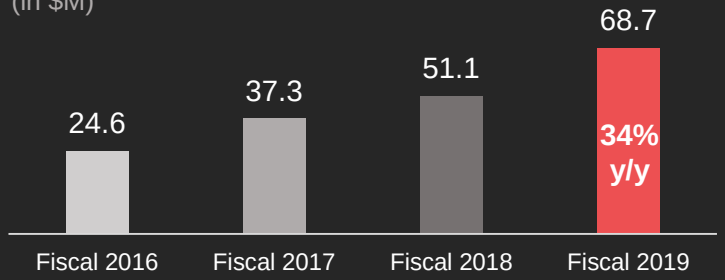
Total Revenue

(in $M)



Software + Payments Revenue

(in $M)



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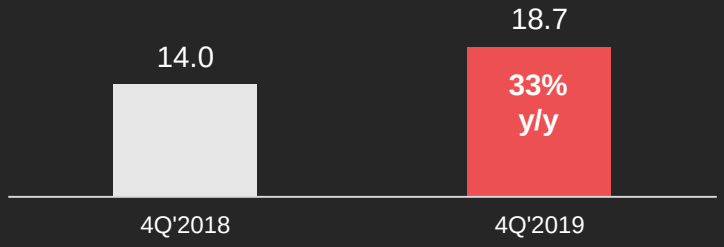
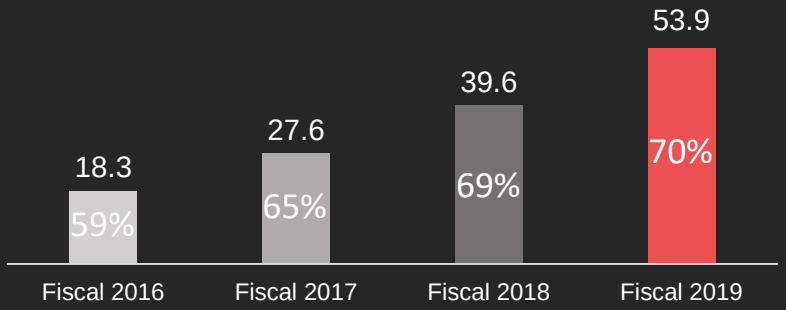
(in $M)



Significant gross profit expansion

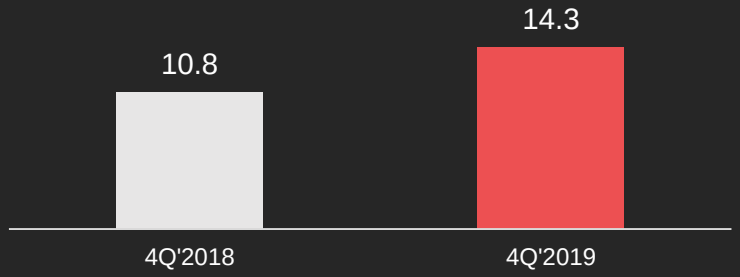
Gross Profit

(in $M)



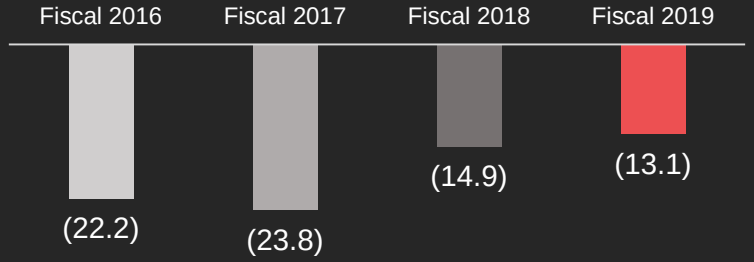
Gross Profit

(in $M)



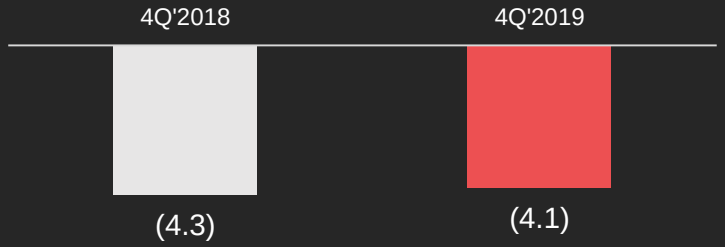
Adjusted EBITDA

(in $M)



Adjusted EBITDA

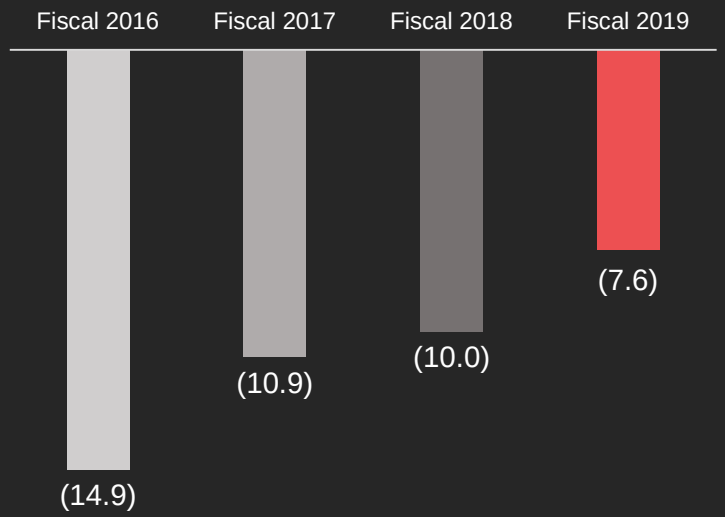
(in $M)



Business model with leverage

Operating Cash Flow

(in $M)



$207.7M total cash as of March 31 2019

No debt outstanding

Used ~$10M cash to buy Chronogolf in early May

Lightspeed Payments is now live

- Launched January 30, 2019 to US retail customers
- Majority of new customers processing live transactions by March 31
- > 40% attach rate for new eligible customers
- Pricing model: ~2.6% gross non-cash transaction volume; ~65bps net of direct processing costs
- Experience to date is in line with initial assumptions
- Learning experience is ongoing; Guidance reflects cautious approach in rollout year

Lightspeed outlook

- **First quarter 2020 expectations:**
  - **Total revenue in the range of $23.0M - $23.5M**
  - **Adjusted EBITDA ($6M) - ($7M)**
  - **Operating Cash Flow usage approximately ($6M)**
- **Full year 2020 expectations:**
  - **Total revenue in the range of $107M - $110M**
  - **Total revenue growth 38-42% YoY**
  - **Adjusted EBITDA ($16M) - ($18M)**
  - **Operating Cash Flow usage ($7.5M) - ($9M)**

Investment highlights



- **Leading omni-channel commerce-enabling SaaS platform** for SMBs, with significant growth profile and scalability
- **Large total addressable market**
- **Attractive and loyal customer base** built through focus on single and multi-location retailers and restaurants
- **Business at key inflection point** with recent launch of Lightspeed Payments
- **Multiple levers available** to continue growth trajectory
- **Founder-led management** with significant ownership position

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 of the Company in the period.

“**Customer Location**” means a billing customer location for which the term of services have 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. We believe GTV is an indicator of the success of our Customer Locations and the strength of our platform. GTV does not represent revenue earned by us.

“**Net Dollar Retention Rate**” is calculated as of the end of each month by considering the cohort of customers on our commerce platform 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. We believe that our ability to retain and expand the revenue generated from our existing customers is an indicator of the long-term value of our customer relationships.



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