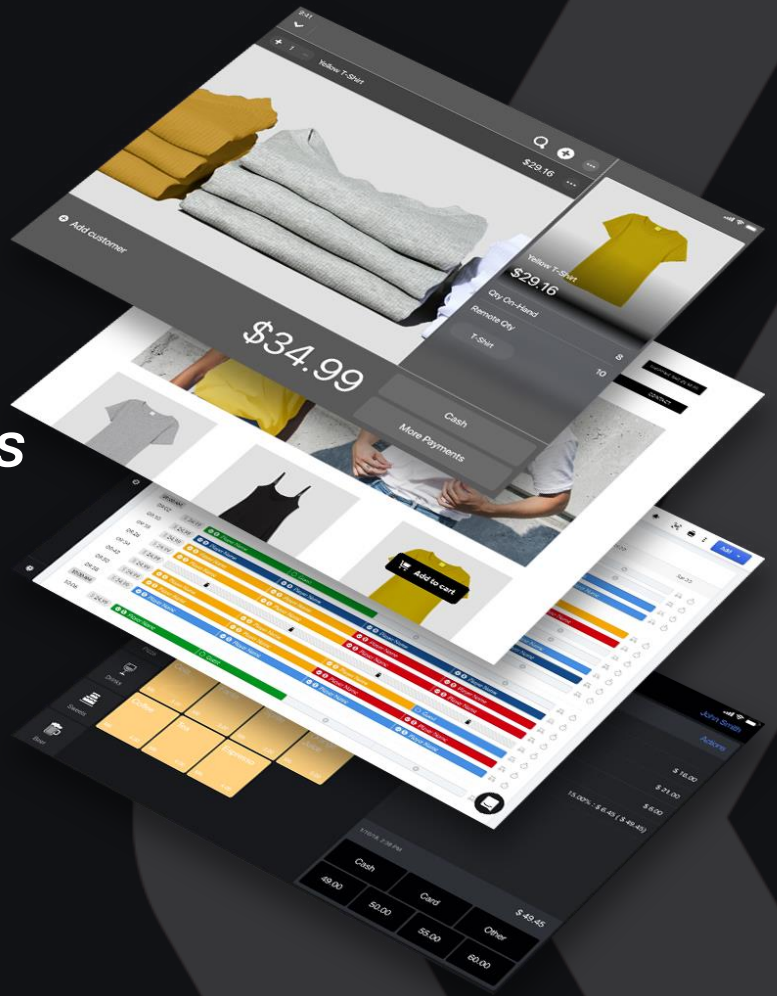
Second Quarter 2021 Results

November 5, 2020



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.

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, the markets in which we operate, prospects and customers (including those of ShopKeep), expected acquisition outcomes and synergies, and the impact of the COVID-19 pandemic declared by the World Health Organization on March 11, 2020 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 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 November 5, 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



~$8.5B
2Q'21 Gross Transaction Volume ("GTV")

>80,000[1]
Customer Locations

>100[1]
Countries

~$600K/yr[2]
GTV/customer

$45.5M
2Q'21 Total Revenue

62%[3]
YoY Revenue Growth

90%
Recurring Software and Payments Revenue (2Q'21)

(1) As of September 30, 2020
(2) Average GTV as of September 30, 2020
(3) 3-months ended September 30, 2020 vs September 30, 2019

Lightspeed's cloud platform is powering the future of commerce



Lightspeed is positioned to win in the current environment and beyond

Our Response to COVID-19

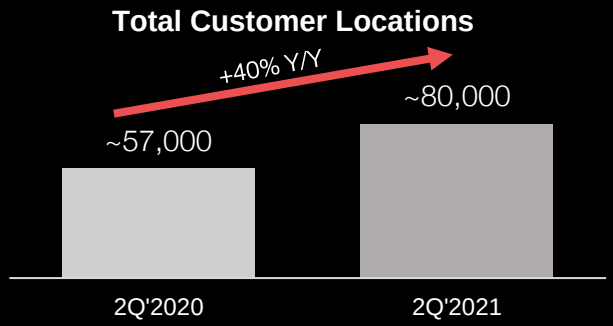
- **Delivered the tools and resources** customers need to preserve and grow revenue
- **Seamlessly met increased demand** for eCommerce, Delivery, Loyalty and Payments offerings

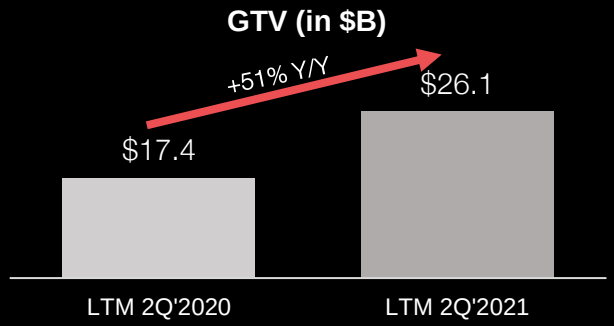
Resilient Business and Customers

- **Diverse core customer base** processes ~$600K of GTV/year
- **GTV not only recovered but** grew 56% Y/Y in 2Q'2021
- **Virtual go-to-market** strategy

Acceleration of Secular Trends

- **Digitization of work and commerce** accelerated across all sectors and geographies during the COVID-19 crisis
- **Omni-channel** has become particularly relevant with immediate and transformational benefits
- **Customer Locations** grew 40% Y/Y to more than 80,000 in 2Q'2021

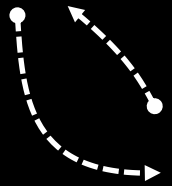




A comprehensive commerce OS for sophisticated independent businesses

Suppliers





Lightspeed Merchant Platform

Comprehensive Back-Office Suite

Manage your operations with ease, no matter the complexity

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

Omni-Channel Reach

Engage with your customers wherever they are

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

Payments & Financing

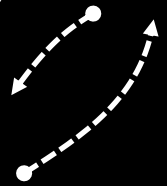
Tailored financial solutions

- Lightspeed Payments
- Lightspeed Capital

Open API Supporting an Ecosystem of Integrated Partners

Consumers





Lightspeed's recent product innovations meet rapidly evolving consumer behaviors

Back-Office



Analytics



Lightspeed Capital

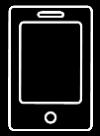


Lightspeed Subscriptions

Omnichannel



eCom for Restaurants



Order Ahead



Loyalty

Payments



Lightspeed Payments

- ***eCommerce for Restaurants***
  - Allows restaurants to seamlessly transition to an online model
  - Enables frictionless delivery and takeout experience
- ***Order Ahead***
  - Cost-efficient online ordering platform designed to facilitate
  - 100% contactless takeout experience for customers
- *Lightspeed Subscriptions*
  - New module allowing North American retailers using Lightspeed Payments to collect recurring revenue through their POS
- *Payments – Recent successful expansion to more markets*
  - Added Canada Retail and U.S. Restaurant customer segments earlier this year to Payments offering
- *Hospitality POS – New flagship product rolling out globally*
  - New Order Ahead featuring expanded pickup and delivery tools
  - Completely redesigned our restaurant eCommerce product
- *Omni-channel Loyalty – New customer engagement tool*

Notable new customers demonstrate Lightspeed leadership serving complex SMBs

Highlighted Lightspeed Customers

ULTIMA COURCHEVEL

BENTLEY'S PETstuff

Kapalua Golf
EXPERIENCE TROON GOLF®

Customer Details

- ✓ Operator of an award-winning selection of ultra-luxury hotels, villas, spas, clinics and private residences located in the most exclusive destinations around the world

- ✓ all-natural pet food store with over 50 locations in the mid-western United States, selling natural food, pet care essentials, toys, grooming products and treats for your pet

- ✓ Located on the popular island of Maui, and home to the PGA tours Sentry Tournament of Champions, Kapalua Golf maintains two of the most majestic golf courses in the world - the Plantation and Bay Courses

Lightspeed's multiple growth vectors

Expand Customer Location Footprint

- **Significant potential to increase penetration of our TAM**, 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 of 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**
- **40%** of customers **use more than 1 Lightspeed module** (1)

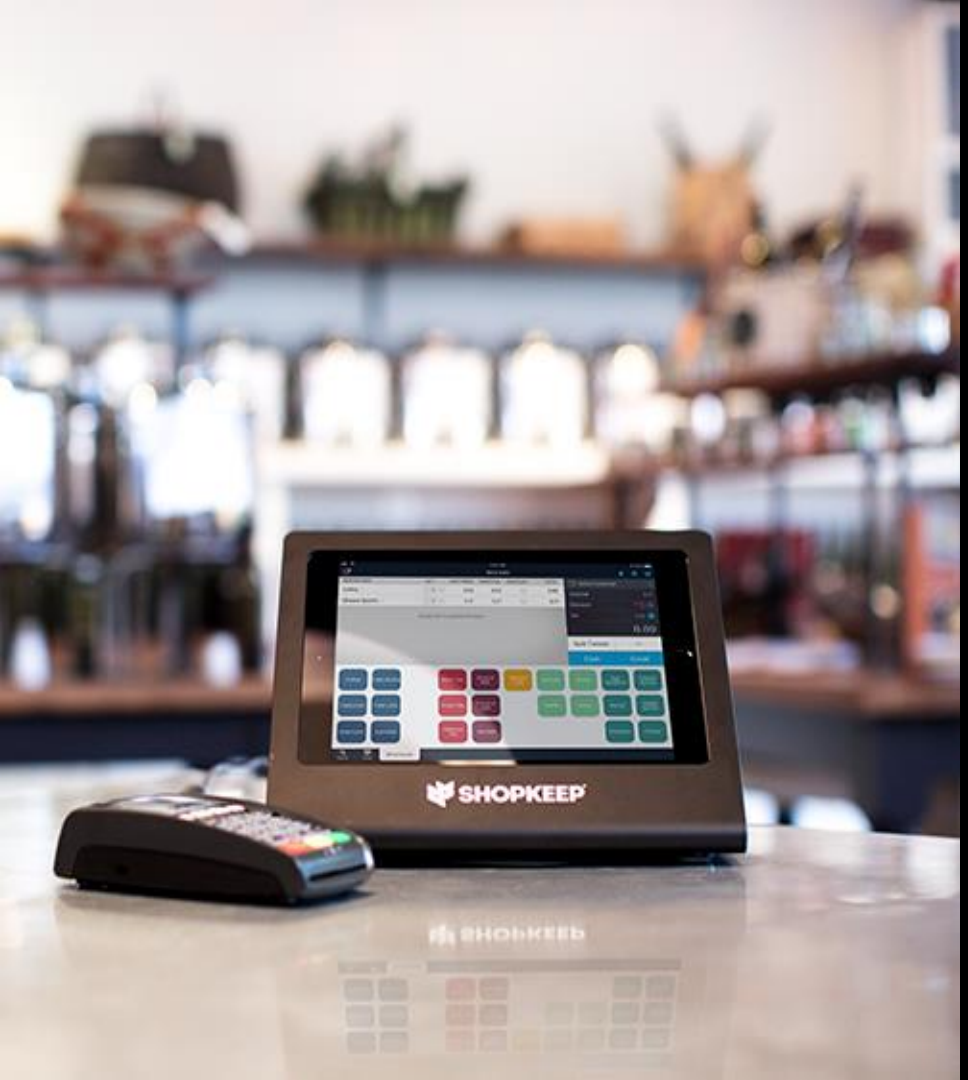
Expand Presence Within Verticals

- 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 accelerate product roadmap, increase market penetration and create value for shareholders

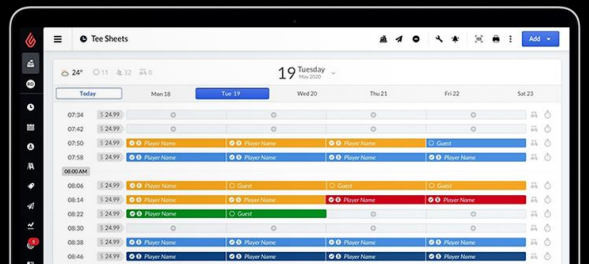
(1) As of March 31, 2020 (excludes customers of acquisitions: Chronogolf, Kounta, and Gastrofix)



SHOPKEEP®

- Lightspeed is acquiring ShopKeep for total estimated consideration of ~$440 million in cash and stock
- The transaction is expected to close before the end of fiscal Q3 (Dec), subject to customary closing conditions
- Combined company will have >100K customer locations globally and >$33B in LTM GTV pro forma (1)
- Wide reach and seasoned team brings scale and experience to Lightspeed's already robust US presence
- Increased resources to invest in sales, marketing and R&D to capitalize on the increasing demand for modern cloud-based omnichannel commerce solutions
- Significant opportunity to drive greater ARPU over time with additional Lightspeed modules and capabilities
- View the official press release here: Lightspeed to Acquire ShopKeep to Accelerate Digital Transformation of SMBs Across the United States

(1) As of 9/30/20





Financial Overview

lightspeed

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)

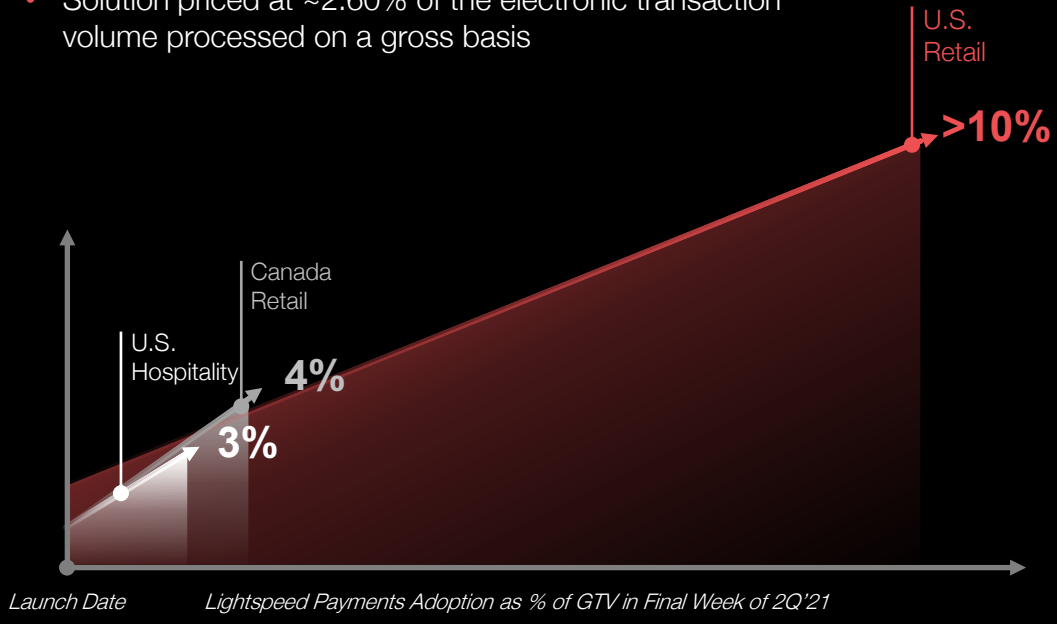
Growth in Average Revenue / Customer (ARPU) (2)

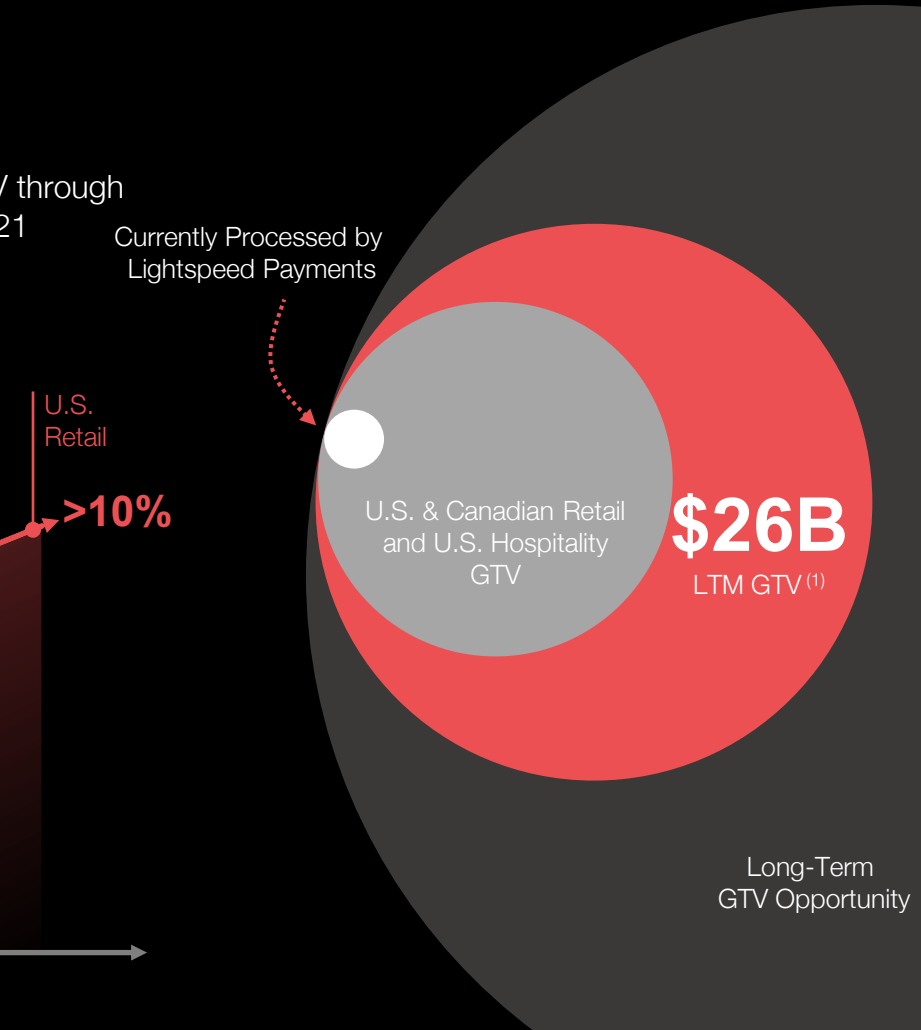
Positive Net Dollar Retention Rates (3)

(1) In 2Q'21
(2) Comparison of 2Q'20 to 2Q'21
(3) As of FY ended March 31, 2020

The Lightspeed Payments opportunity

- Payments uptake remains strong. Processed >10% of GTV through Lightspeed Payments in U.S. Retail in the final week of 2Q'21
- Payments recently launched in Canada for Retail and U.S. for Hospitality. Momentum continues to build here
- Solution priced at ~2.60% of the electronic transaction volume processed on a gross basis

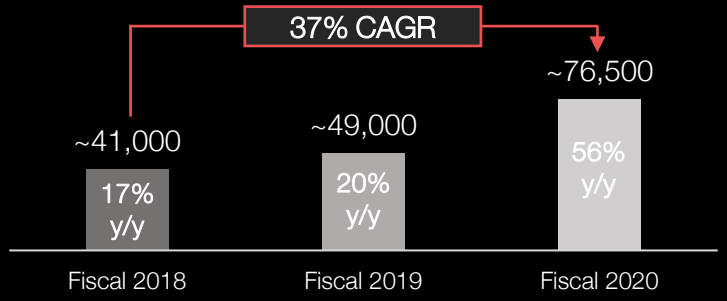




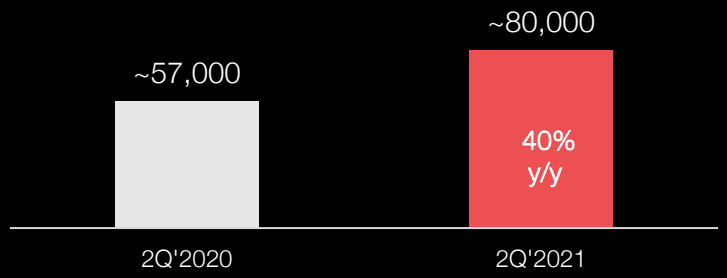
(1) LTM GTV as of September 30, 2020

Diverse, high-quality, growing customer base

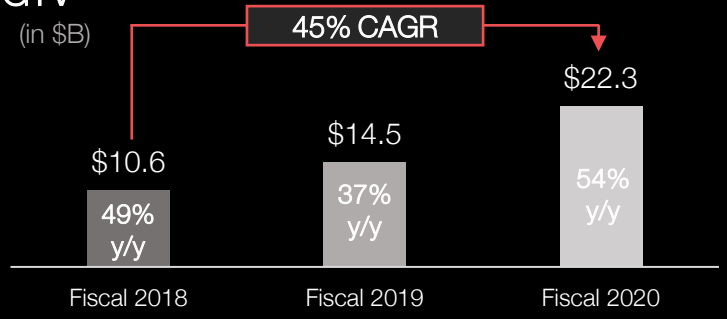
Total Customer Locations



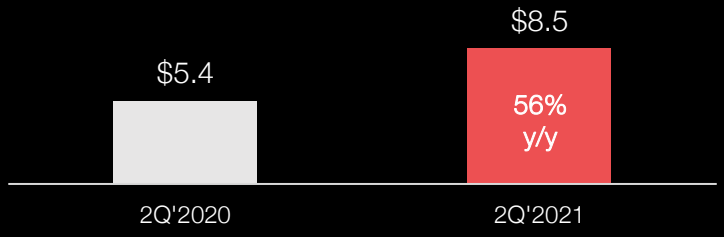
Total Customer Locations



GTV (1) (in $B)



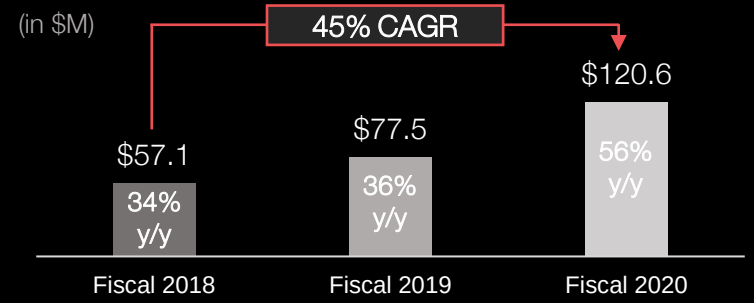
GTV (1) (in $B)



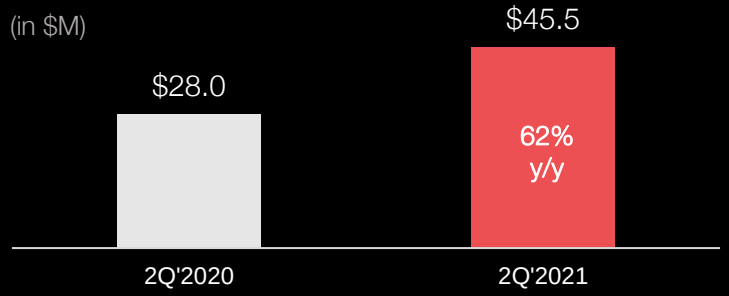
(1) GTV does not represent revenue generated by Lightspeed. See Appendix A

Strong revenue growth

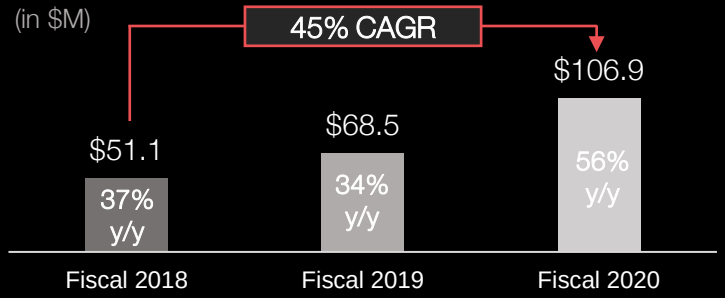
Total Revenue



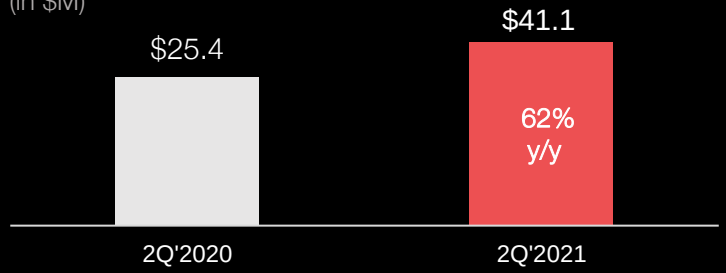
Total Revenue



Software + Payments Revenue



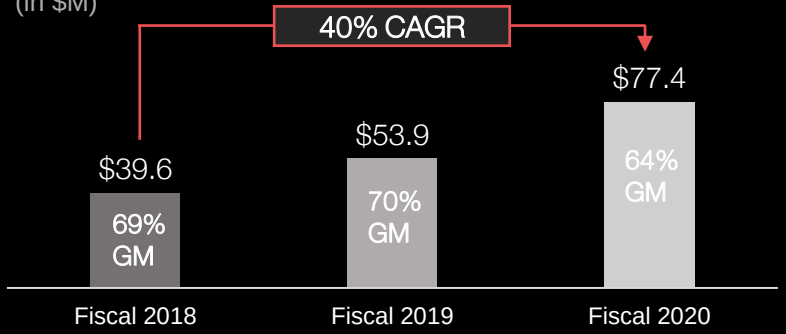
Software + Payments Revenue



Significant gross profit expansion

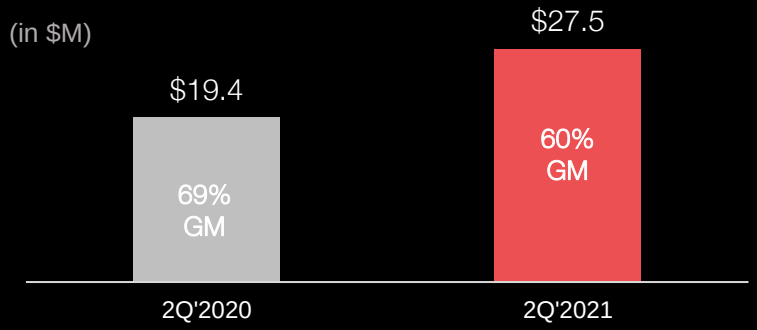
Gross Profit

(in $M)



Gross Profit

(in $M)



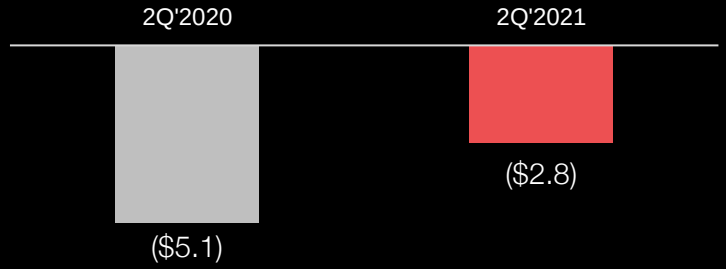
Adjusted EBITDA (1)

(in $M)



Adjusted EBITDA (1)

(in $M)



(1) Please see Appendix A for Non-IFRS financial measures definition and reconciliation to net loss

Investment highlights



- ***Leading global cloud omni-channel commerce platforms*** powering independent businesses 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 >$26B of GTV globally (1)
- ***Lightspeed Payments now driving significant growth for*** North American retail and U.S. hospitality customers
- ***Well capitalized with ~$513M in unrestricted cash***

(1) LTM GTV as of September 30, 2020

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 Customer Locations 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.*



IR contact

investorrelations@lightspeedhq.com

lightspeed