ShopKeep Inc Acquisition

Overview

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 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), and expected acquisition outcomes and synergies 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 key performance indicators. The terms "ARPU", "Customer Locations", 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.

Transaction Summary

ShopKeep Overview

- A market-leading cloud commerce platform for retail and hospitality businesses
- ShopKeep's platform is used by more than **20,000 customer locations** (1) across the United States, generating approximately **$7B of annualized gross transaction volume (GTV)**
- ShopKeep generated **revenue of ~$50M** (2) in the trailing twelve-month period ended Sept 30, 2020
- Headquartered in New York City

Transaction Overview

- Lightspeed will acquire ShopKeep for **a total estimated consideration of ~$440M**, comprised of:
- **$145.2M payable in cash** and the issuance of **~9.5M subordinate voting shares** in the capital of Lightspeed
- Represents **~8.8x LTM revenue** (at September 30, 2020)
- The transaction is expected to close before the end of fiscal Q3, subject to customary closing conditions
- View the official release here: Lightspeed to Acquire ShopKeep to Accelerate Digital Transformation of SMBs Across the United States

Strategic Rationale

- Brings added scale in the US, with the combined company having **100,000+ customer locations globally** and **over $33B in GTV** on a pro forma basis as of Sept 30, 2020
- Increased resources to invest in sales, marketing and research and development 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**

(1) As of September 30, 2020
(2) In accordance with U.S. GAAP

Benefits of Lightspeed + ShopKeep Combination

1. Increased scale in North America and Internationally, with 100,000+ customer locations globally (1)
2. Combined entity represents ~$33B in GTV annually (based on LTM as of Sept 30, 2020)
3. Strengthens existing retail footprint and expands hospitality customer base
4. Brings in strong leadership team to drive growth efforts across North America
5. Ability to leverage ShopKeep's Capital offering to a broader customer base
6. Combination creates larger combined payments monetization and customer ARPU expansion opportunity

(1) As of September 30, 2020

Reinforces Lightspeed's Status as a Cloud Commerce Category Leader



~$200M (1)
LTM Revenue (2)



100,000+
Customer Locations Served (2)



$33B+ (1)
Combined LTM GTV (2)



Enhanced Payments Opportunity

(1) US Dollars
(2) As of September 30, 2020

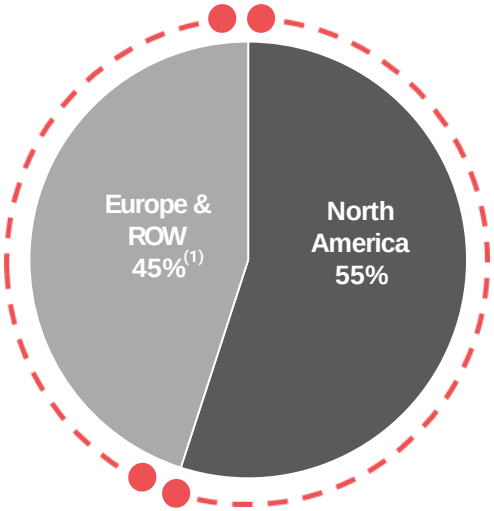
Complementary Business Enhances U.S. Market Share and SMB Presence

Balanced Customer Exposure (1)



- Leader Across Multiple Verticals
- Scale in SMB Commerce

Global Footprint (1)



- Large, Diversified Merchant Base
- Dominant in North American Market

(1) Location count distribution are approximate and on a proforma basis

Track Record of Successful M&A Transactions

lightspeed

Leading Consolidator of Modern,
Cloud-based Commerce Platforms

- May 2019 — chronogolf
- July 2019 — Ikentoo
- Oct. 2019 — Kounta
- Jan. 2020 — GASTROFIX
- Nov. 2020 — SHOPKEEP

Appendix A

"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.*