



Lightspeed ABCs

Last updated: Q4'23



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 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, instability in the banking sector and global economic uncertainty; our expectations regarding the costs, timing and impact of our cost reduction initiatives; 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, the impact of our decision to sell our POS and payments solutions as one unified platform, 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 profiles 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.

Market and Industry Data and Comparables

Market and industry data presented throughout this presentation was obtained from third-party sources and industry reports, including from Access Markets International (AMI) Partners LLC (An Analysys Mason Company), *SMB Technology Forecaster*, and from publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, partners, customers and other industry participants.

We believe that the market and economic data presented throughout this presentation is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this presentation are not guaranteed and none of us makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, none of us has independently verified any of the data from third-party sources referred to in this presentation, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

Any comparable information about other companies was obtained from public sources and has not been verified by the Company. The comparable companies face different risks from those applicable to the Company. Readers are cautioned that there are risks inherent in making an investment decision based on the comparables, that past performance is not indicative of future performance and that the performance of the Company may be different from the comparable companies. Accordingly, readers are cautioned not to put undue reliance on the comparables in making an investment decision.

Powering the world's best businesses.

Lightspeed's one-stop commerce platform helps merchants innovate to simplify, scale and provide exceptional customer experiences. The cloud solution transforms and unifies online and physical operations, multichannel sales, expansion to new locations, global payments, financing and connection to supplier networks.

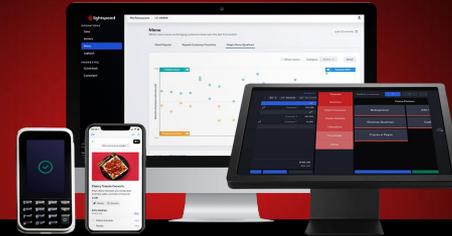


Through internal development and M&A, Lightspeed has delivered a leading POS for both retail and hospitality

Retail



Hospitality



- ✓ A leading solution in North America, UK and APAC
- ✓ Unified platform built for the global market
- ✓ Why we win in our core segments:
 - Complex inventory management
 - Unique workflows for our core verticals
 - Sell everywhere: in person, online, social, marketplaces
 - Reports on every angle of a business
 - Best-in-class iOS experience

- ✓ A leading solution in Europe, North America and APAC
- ✓ Unified hospitality platform built for the global market
- ✓ Why we win in our core segments:
 - Private blockchain technology with offline mode
 - Blazing fast
 - Best-in-class analytics engine
 - Unique workflows for our core verticals
 - Fiscal and PMS integrations
 - World-class iOS experience



Our progress so far

March 2019, IPO on TSX¹

>47,000 Customer Locations^{1,3}

LTM GTV^{3,4} >\$13B

LTM Revenue⁴ \$71.9M

Total ARPU^{1,3} ~\$130

LTM YoY revenue growth⁷ 35%

LTM GPV^{3,4} \$0

Transaction-based revenue as a % of total revenue⁴ 15%

Today²

~168,000 Customer Locations^{2,5}

LTM GTV⁶ \$87.1B

LTM Revenue⁶ \$730.5M

Total ARPU^{2,5} ~\$335

LTM YoY revenue growth⁸ 33%

LTM GPV⁶ \$14.7B

Transaction-based revenue as a % of total revenue⁶ 55%

¹ As at December 31, 2018.

² As at March 31, 2023.

³ Key Performance Indicator. See Appendix A.

⁴ For the 12 month period ended December 31, 2018.

⁵ Excluding Customer Locations attributable to the Ecwid by Lightspeed standalone product.

⁶ For the 12 month period ended March 31, 2023.

⁷ For the 12 month period ended December 31, 2019 compared to the 12 month period ended December 31, 2017.

⁸ For the 12 month period ended March 31, 2023 compared to the 12 month period ended March 31, 2022.



Hospitality: where we compete



This chart outlines our view of our competitive landscape based on information with respect to other selected software as a service providers (the "comparables"). The information relative to the comparables has been obtained or derived from public sources and has not been verified by the Company. See "Disclaimer - Market and Industry Data and Comparables".



Omnichannel: where we compete



This chart outlines our view of our competitive landscape based on information with respect to other selected software as a service providers (the "comparables"). The information relative to the comparables has been obtained or derived from public sources and has not been verified by the Company. See "Disclaimer - Market and Industry Data and Comparables".



The ideal **Lightspeed** retailer



Apparel & Footwear



Bikes



Pets



Sporting goods



Health & Beauty



Toys & Hobbies



Outdoor



Gift & Books



Jewellery



Home & Garden



Vape & Smoke



Golf

Annual GTV: **\$500,000+**

Locations: **1 to 15+**

SKUs: **Thousands**

Churn risk: **Low**



The ideal **Lightspeed** restaurateur



**Multi location
quick service**



**Drinking
establishments**



Full service



**Hotel &
multi revenue centers**

Annual GTV: **\$500,000+**

Locations: **1 to 15+**

Multiple service flows

Churn risk: **Low**



Key global markets



NOAM

Canada
USA



EMEA

Belgium
France
Germany
Netherlands
Switzerland
UK

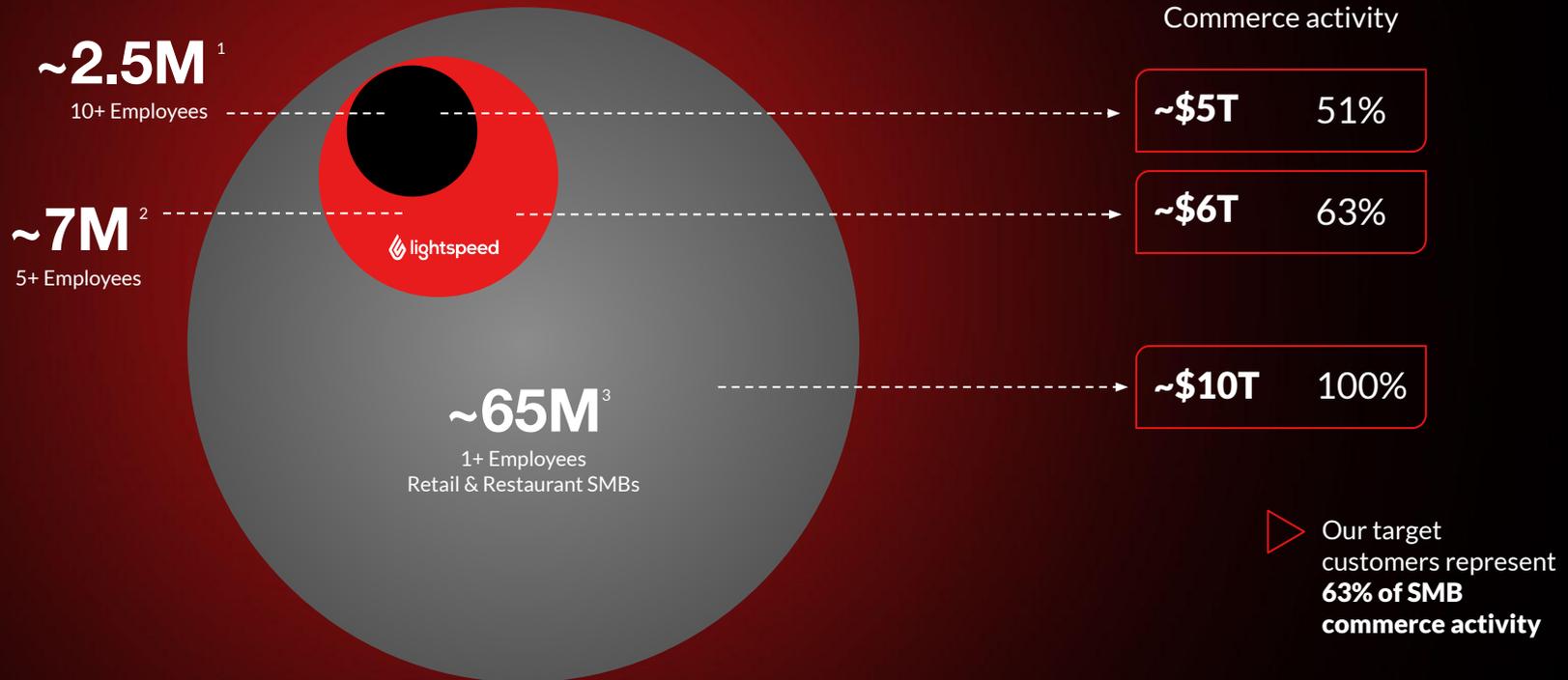


APAC

Australia
New Zealand



Winning in the higher GTV markets



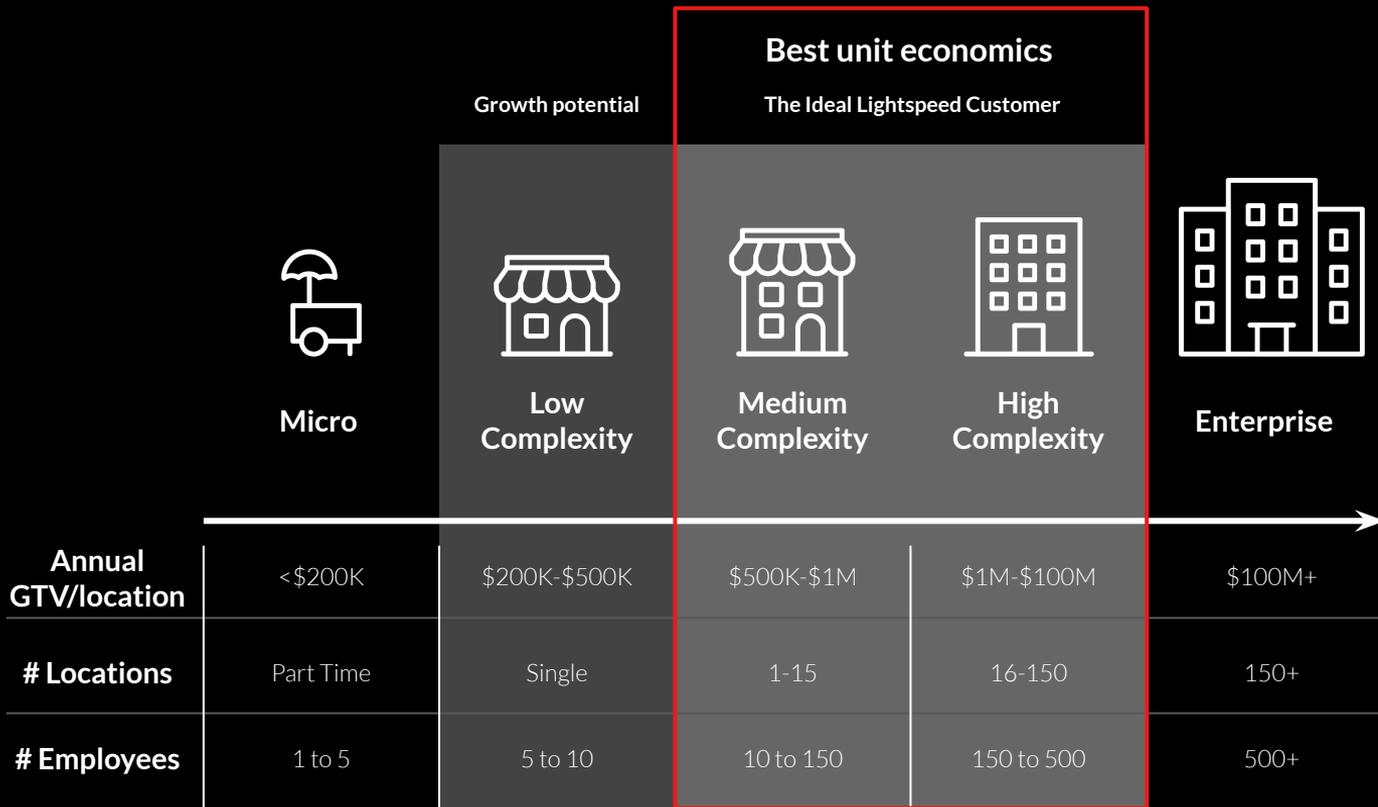
¹ Source: 2022 data from Access Markets International (AMI) Partners LLC (An Analysys Mason Company), SMB Technology Forecaster. SMBs employing 10 to 500 employees in the Retail and Restaurant industry sectors. Access Markets International (AMI) Partners LLC (An Analysys Mason Company), SMB Technology Forecaster defines "SMBs" as businesses employing 1 to 500 employees in the following industry sectors: Retail, Restaurant, Agriculture/Mining, Banking/Financial, Construction, Healthcare, Hospitality, Information & Media, Insurance, Life Sciences, Other Services, Pharmaceuticals, Process Manufacturing, Discrete Manufacturing, Professional Services, Real Estate, Telecommunications, Transportation, Utilities, and Wholesale.

² Source: 2022 data from Access Markets International (AMI) Partners LLC (An Analysys Mason Company), SMB Technology Forecaster. SMBs employing 5 to 500 employees in the Retail and Restaurant industry sectors.

³ Source: 2022 data from Access Markets International (AMI) Partners LLC (An Analysys Mason Company), SMB Technology Forecaster. SMBs employing 1 to 500 employees in the Retail and Restaurant industry sectors.

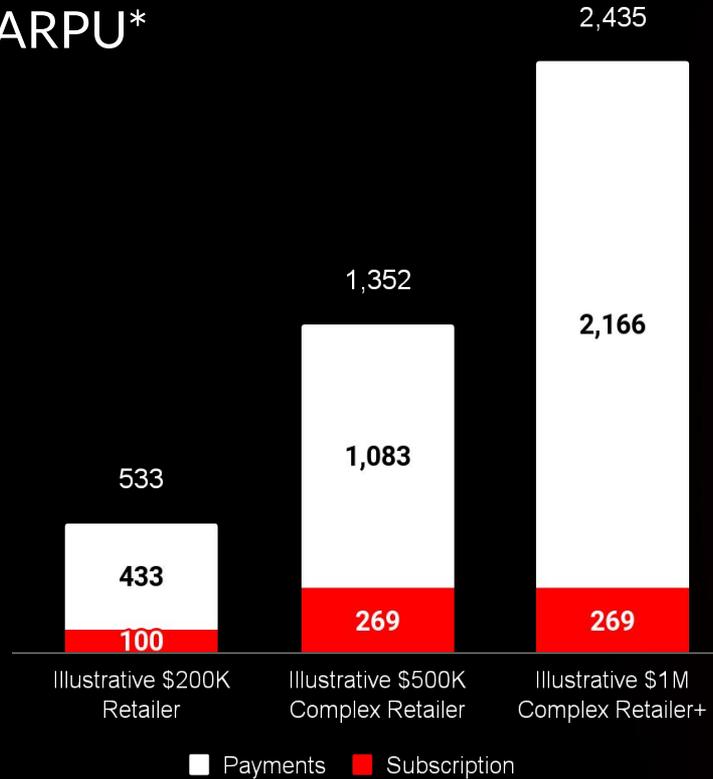


The merchant landscape



Laser focused on attracting the right customers

ARPU*



* Illustrative retailer: \$200,000 annual GTV x 2.6% / 12 = \$433 in gross monthly payments revenue. Our lean plan = \$100 in monthly software revenue. Total ARPU = \$533.

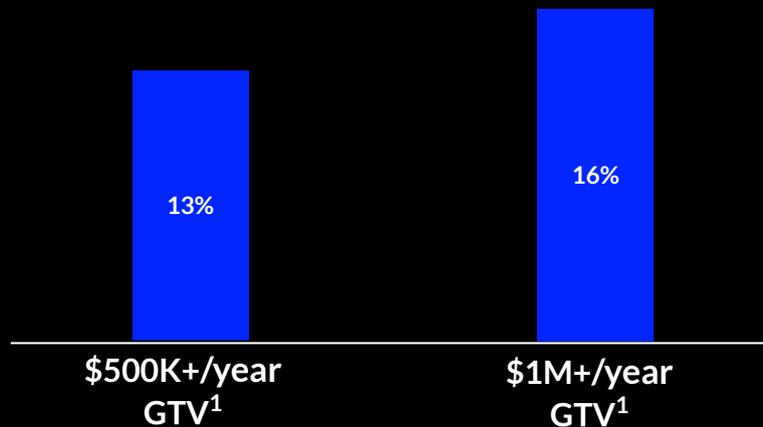
Illustrative Complex Retailer: annual GTV increases from \$200,000 to \$500,000. Gross monthly payments revenue = \$500,000 x 2.6% / 12 = \$1,083 in gross monthly payments revenue. Our advanced plan that includes eCom, Accounting, Loyalty and Analytics is \$269 in monthly software revenue. Total ARPU = \$1,352.

Illustrative Complex Retailer+: annual GTV increases from \$200,000 to \$1,000,000. Gross monthly payments revenue = \$1,000,000 x 2.6% / 12 = \$2,166 in gross monthly payments revenue. Our advanced plan that includes eCom, Accounting, Loyalty and Analytics is \$199 in monthly software revenue. Total ARPU = \$2,435.



Growing with the right mix

Customer Location growth by GTV cohort ²



<\$200K/year GTV¹ customer locations decreased YoY

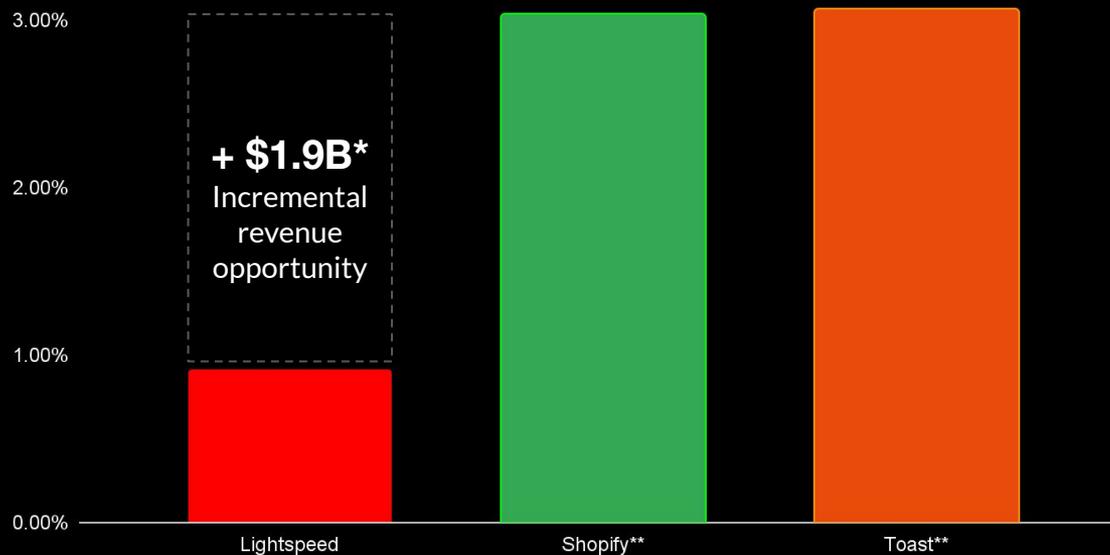
¹ Excluding Customer Locations and GTV attributable to Ecwid eCommerce standalone product, Lightspeed Golf and NuORDER by Lightspeed product. A Customer Location's GTV per year is calculated by annualizing the GTV for the months in which the Customer Location is actively processing in the last 12 months.

² As at March 31, 2023 vs as at March 31, 2022.



We're just getting started

Total Revenue as a % of GTV**



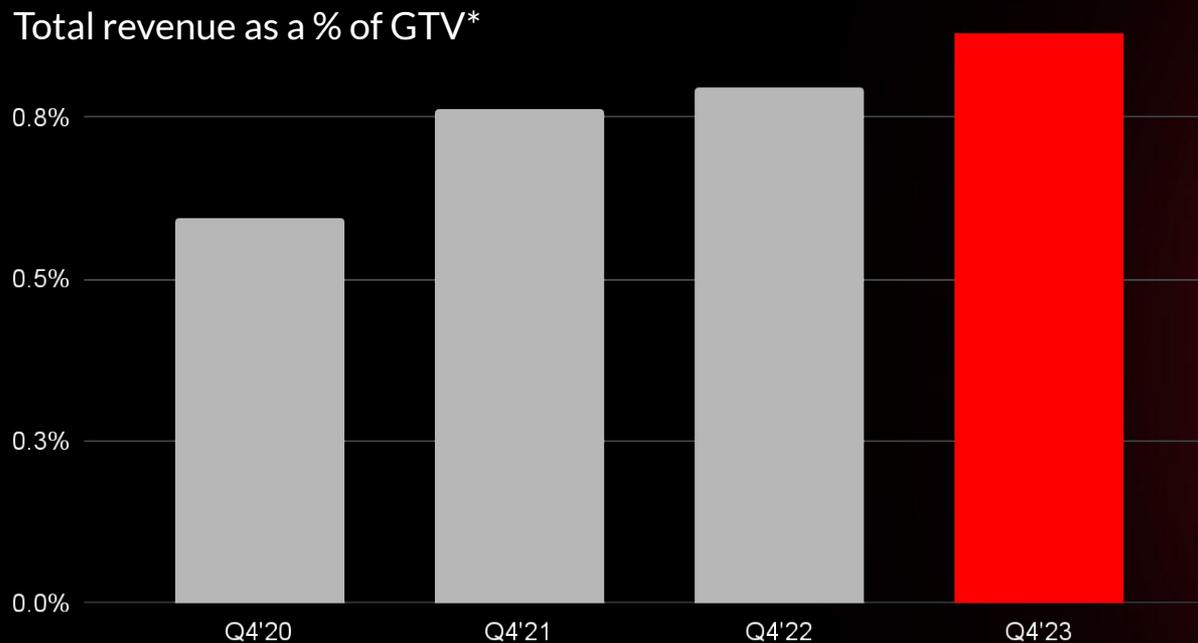
*This illustrative figure assumes total Lightspeed revenue as 3% of GTV for the twelve months ended March 31, 2023, less the reported total revenue as a % of GTV for the twelve months ended March 31, 2023.

**For the three months ended March 31, 2023. This chart outlines information with respect to other selected publicly-traded software as a service providers (the "comparables"). The information relative to the comparables has been obtained or derived from public sources and has not been verified by the Company. Toast does not report GTV. Accordingly, we have presented their GTV based on their GPV and assumed 100% adoption of their payments solutions. See "Disclaimer - Market and Industry Data and Comparables."



Successfully turning more GTV into revenue

With substantial opportunity ahead



*For the three months ended March 31 for each year.



Growing our payments volume

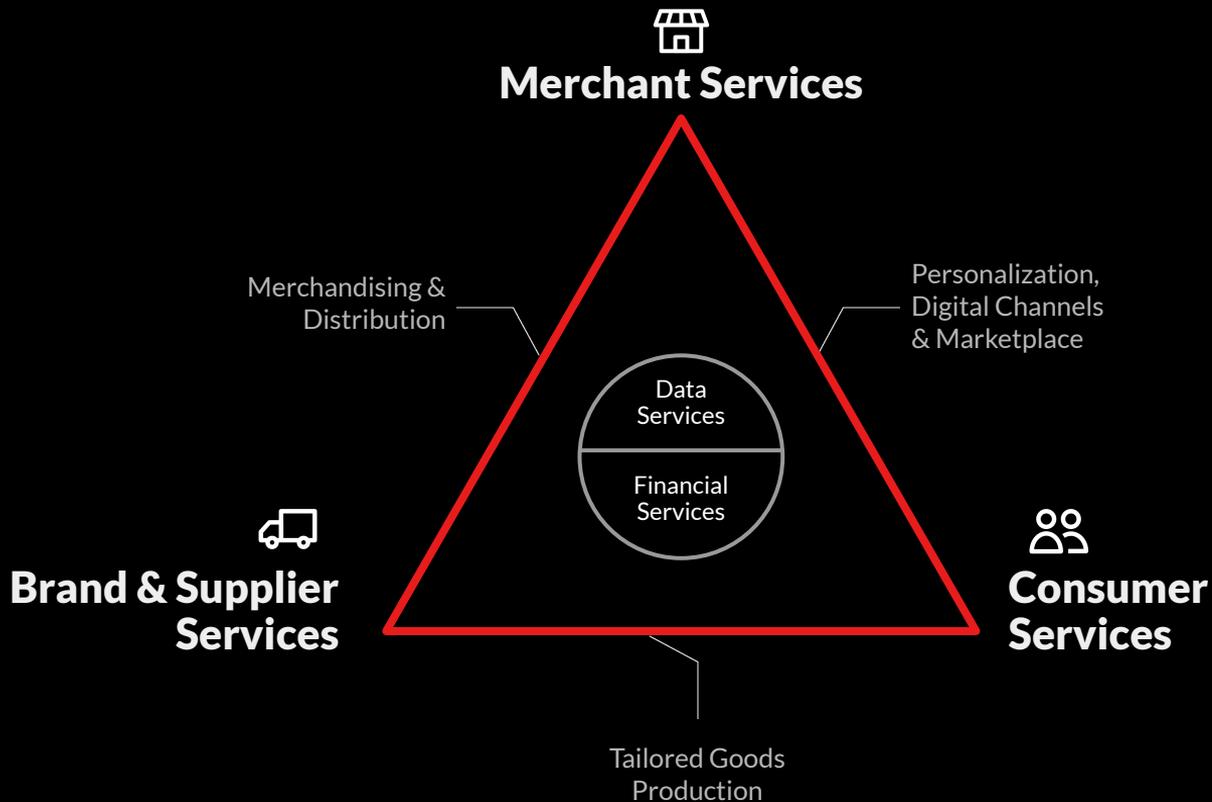


¹ For the three months ended March 31 for each year.

² For the three month period ended March 31, 2023 compared to the three month period ended March 31, 2022.



Future: one-stop commerce platform



Commerce platform

- 🔥 Merchant services
- 🔥 Supplier services
- 🔥 Consumer services
- 🔥 Financial services
- 🔥 Data services



Historical financial highlights

US \$M	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22
Revenue	\$184.2	\$188.7	\$183.7	\$173.9	\$146.6
Gross Profit	\$87.0	\$86.0	\$81.5	\$77.5	\$69.7
Gross Margin	47%	46%	44%	45%	48%
Net Loss	\$(74.5)	\$(814.8) ²	\$(79.9)	\$(100.8)	\$(114.5)
Net Loss as a % of Revenue	(40.4)%	(431.8)% ²	(43.5)%	(58.0)%	(78.1)%
Adjusted EBITDA ¹	\$(4.3)	\$(5.4)	\$(8.5)	\$(15.6)	\$(19.7)
Adjusted EBITDA as a % of Revenue ¹	(2.4)%	(2.9)%	(4.6)%	(9.0)%	(13.5)%
GTV (\$B)	\$20.2	\$22.4	\$22.3	\$22.1	\$18.4
GPV (\$B)	\$3.8	\$3.9	\$3.7	\$3.3	\$2.2

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.

² Q3'23 Net loss includes a non-cash goodwill impairment charge of \$748.7 million.

³ Customer Locations count is approximate and excludes the Customer Locations attributable to the Ecwid eCommerce standalone product.





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. We use this measure as we believe it provides a helpful supplemental indicator of our progress in growing the revenue that we derive from our customer base. 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 use this measure as we believe that our ability to increase the number of Customer Locations with a high GTV per year served by our platform is an indicator of our success in terms of market penetration and growth of our business. A Customer Location's GTV per year is calculated by annualizing the GTV for the months in which the Customer Location was actively processing in the last twelve months.

“**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 use this measure as 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, particularly those with a high GTV, 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 use this measure as 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.

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, litigation provisions and goodwill impairment. We believe that Adjusted EBITDA provides a useful supplemental measure of the Company's operating performance, as it helps illustrate underlying trends in our business that could otherwise be masked by the effect of the income or expenses that are not indicative of the core operating performance of our business.

Adjusted EBITDA as a percentage of revenue is calculated by dividing our Adjusted EBITDA by our total revenue. We believe that Adjusted EBITDA as a percentage of revenue provides a useful supplemental measure of the Company's operating performance, as it helps illustrate underlying trends in our business that could otherwise be masked by the effect of the income or expenses that are not indicative of the core operating performance of our business.

Appendix B - Non-IFRS measures and ratios

The following table reconciles net loss to Adjusted EBITDA for the periods indicated:

<i>(In thousands of US dollars, except percentages)</i>	Three months ended				
	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
	\$	\$	\$	\$	\$
Net Loss	(74,468)	(814,802)	(79,943)	(100,796)	(114,517)
Net loss as a percentage of revenue	(40.4)%	(431.8)%	(43.5)%	(58.0)%	(78.1)%
Share-based compensation and related payroll taxes ⁽¹⁾	15,967	34,470	34,928	38,302	41,625
Depreciation and amortization ⁽²⁾	28,380	28,802	28,935	29,144	29,972
Foreign exchange loss (gain) ⁽³⁾	297	(968)	29	443	29
Net interest income ⁽²⁾	(9,654)	(8,300)	(4,851)	(2,007)	(1,014)
Acquisition-related compensation ⁽⁴⁾	5,746	6,290	12,653	17,103	20,433
Transaction-related costs ⁽⁵⁾	2,323	390	947	2,174	872
Restructuring ⁽⁶⁾	25,549	1,324	603	1,207	606
Goodwill impairment ⁽⁷⁾	-	748,712	-	-	-
Litigation provisions ⁽⁸⁾	229	64	198	918	576
Income tax expense (recovery)	1,283	(1,391)	(2,022)	(2,089)	1,679
Adjusted EBITDA	(4,348)	(5,409)	(8,523)	(15,601)	(19,739)
Adjusted EBITDA as a percentage of revenue	(2.4)%	(2.9)%	(4.6)%	(9.0)%	(13.5)%

Appendix B - Non-IFRS measures and ratios

- (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, and cash 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 and fiscal year ended March 31, 2023, excluding \$5,637 of share-based compensation expense acceleration that was classified as restructuring, share-based compensation expense was \$15,685 and \$123,530, respectively (March 2022 - expense of \$41,934 and \$108,916), and related payroll taxes were an expense of \$282 and \$137, respectively (March 2022 - recovery of \$309 and an expense of \$150). These amounts are included in direct cost of revenues, general and administrative expenses, research and development expenses and sales and marketing expenses (see note 8 of the audited annual consolidated financial statements for additional details). These expenses exclude share-based compensation classified as restructuring, which has been included in the restructuring expense.
- (2) In connection with the accounting standard IFRS 16 - Leases, for the three months ended March 31, 2023, net loss includes depreciation of \$2,025 related to right-of-use assets, interest expense of \$278 on lease liabilities, and excludes an amount of \$2,322 relating to rent expense (\$2,032, \$288, and \$2,111, respectively, for the three months ended March 31, 2022). For Fiscal 2023, net loss includes depreciation of \$8,244 related to right-of-use assets, interest expense of \$1,075 on lease liabilities, and excludes an amount of \$8,712 relating to rent expense (\$7,743, \$1,204, and \$8,133, respectively, for Fiscal 2022).
- (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 to realize synergies and ensure organizational agility. During the three months ended March 31, 2023, we announced a reorganization to streamline the Company's operating model while continuing to focus on disciplined growth. The expenses associated with this reorganization were recorded as a restructuring charge (see note 24 of the audited annual consolidated financial statements for additional details).
- (7) This amount represents a non-cash goodwill impairment charge (see note 16 of the audited annual consolidated financial statements for additional details).
- (8) These amounts 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 amounts 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 amounts are included in general and administrative expenses.

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