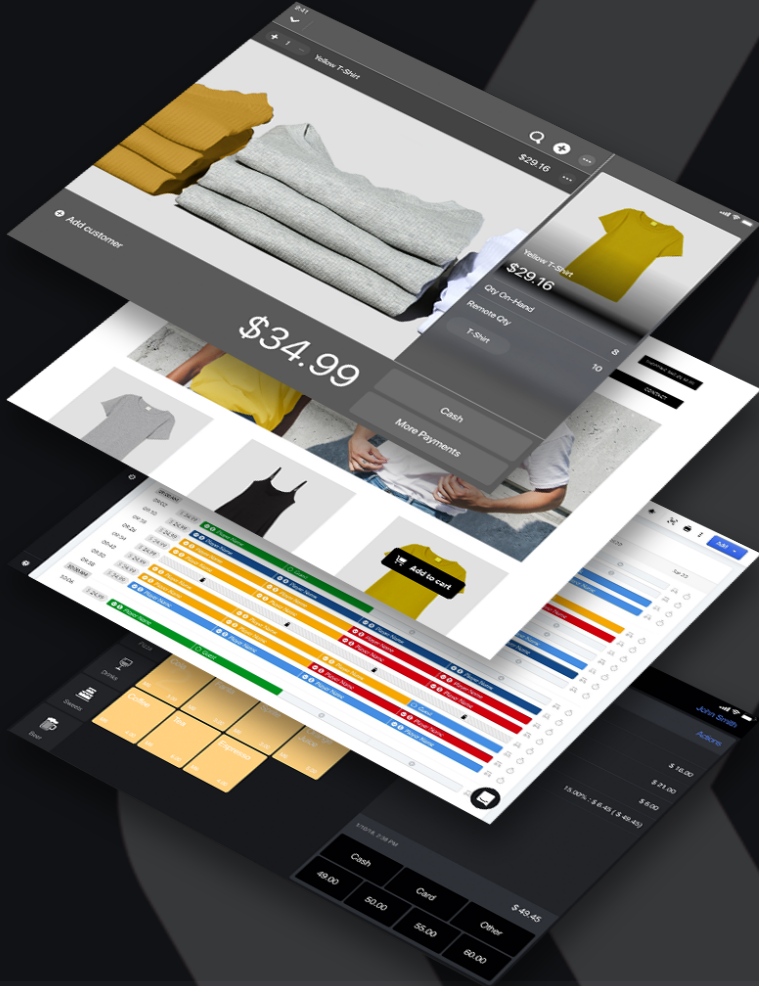


# Fourth Quarter and Full Year 2021 Results

May 20, 2021



# 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 (including revenues, 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, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate, prospects and customers, 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](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://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.

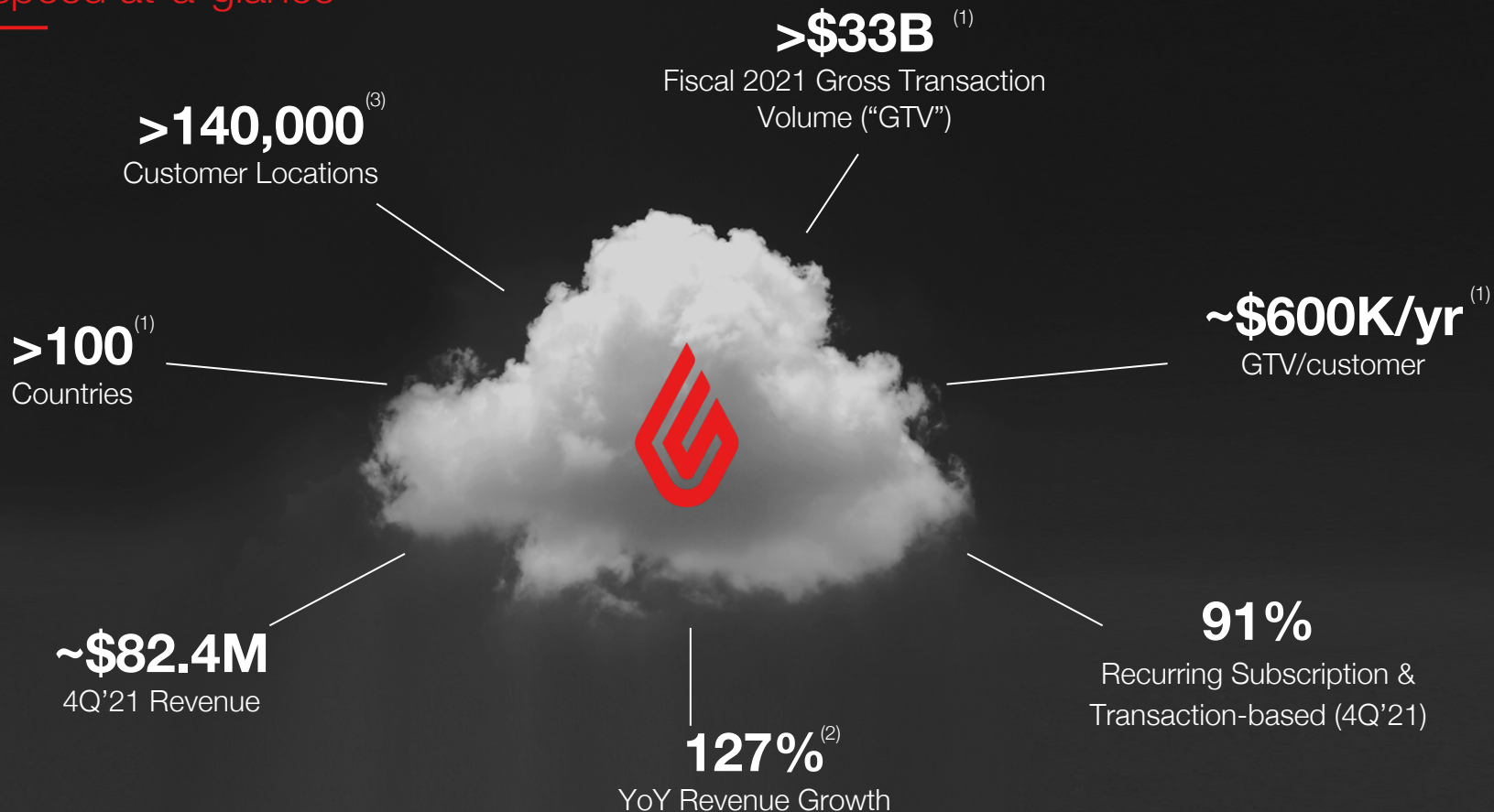
The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update 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 the section “Non-IFRS Measures” of Lightspeed’s press release dated May 20, 2021 for more details and the definition of “Adjusted EBITDA” and “Adjusted EBITDA as a percentage of revenue”. 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



(1) As of March 31, 2021

(2) 3-months ended March 31, 2021 vs March 31, 2020

(3) As of March 31, 2021 after giving effect to the acquisition of Vend Limited (Vend)



**Lightspeed's  
cloud platform  
is powering  
the future of  
commerce**



# Recent acquisitions



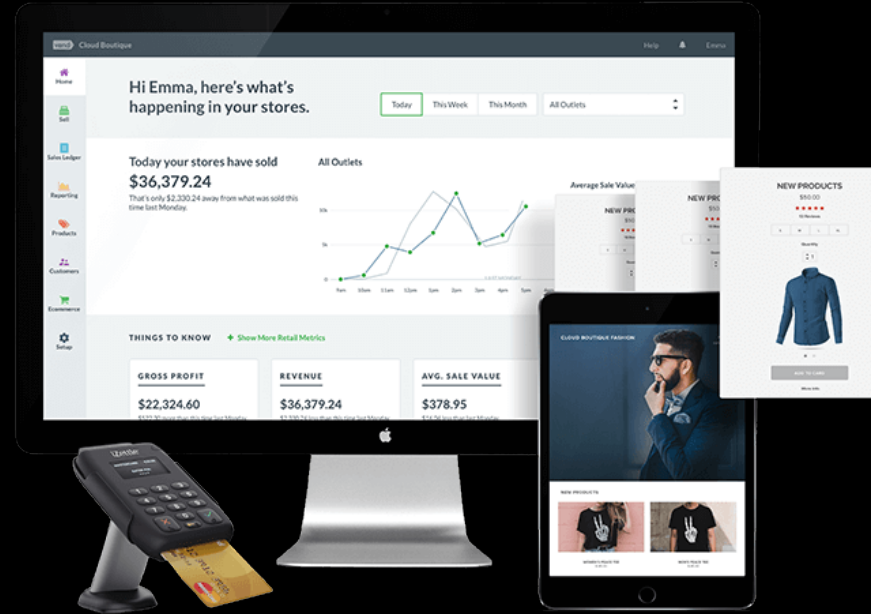
Leading Cloud-Based platform for multi-location retailers

>20,000  
Customer Locations <sup>(1)</sup>

>\$7.0Bn  
LTM GTV <sup>(1)</sup>

- ✓ Adds world class technology to Lightspeed's omnichannel retail offering
- ✓ Gains significant retail presence in APAC and EMEA to complement existing Hospitality market share

*Acquisition closed in April 2020 for consideration comprising ~\$205M of cash and ~2.7M Subordinate Voting Shares*

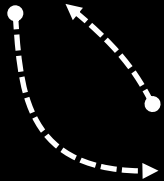


(1) As of December 31, 2020



# 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
- Supplier Network
- ...

### Omni-Channel Reach

Engage with your customers wherever they are

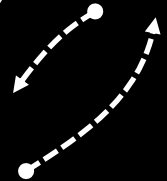
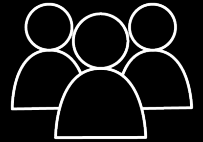
- In-Store Cloud POS
- eCommerce
- Mobile
- Curbside Pickup and Delivery
- Marketplaces / Platforms
- Order Ahead
- APIs

### Payments & Financing

Tailored financial solutions

- Lightspeed Payments
- Lightspeed Capital

Consumers



Open API Supporting an Ecosystem of Integrated Partners

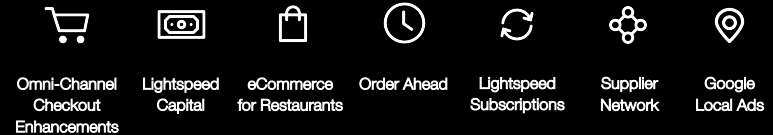


# Track record of innovative solutions for the evolving needs of independent merchants

## A History of Transformative Innovation in Commerce...



## ...Accelerated in 2020 and 2021



2005



2013



2016



2018



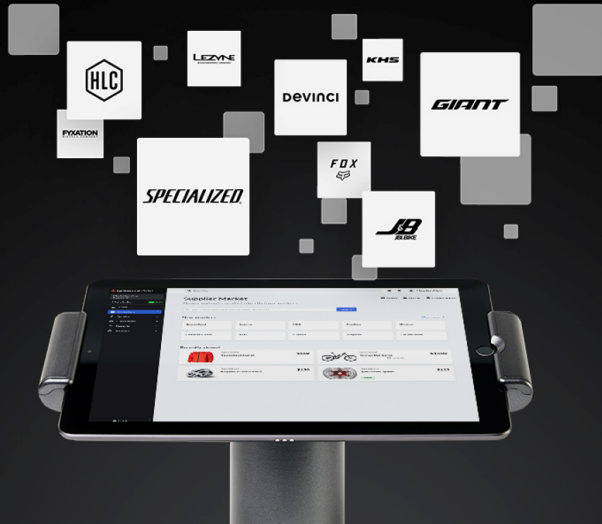
2021



Today



## Connecting merchants with suppliers and democratizing the supply chain



**Supply Chain Visibility:** Provides direct supplier access and inventory visibility through a single platform

**Automation:** Automates manual ordering and consolidates supplier portals into the POS, shortening the inventory cycle

**Streamlined Omni-Channel:** Product details and photos are imported into the POS with the click of a button, making selling online quick and easy

**Supplier Insights:** Provides suppliers with real time data on goods sold by merchants

**Enhanced Brand Presence:** Allows merchants to discover supplier brands and import product information, ensuring use of supplier-approved brand names and images



## Notable new customers



This premium denim and knitwear house chose Lightspeed's modern cloud based platform to upgrade their existing legacy system. AG Jeans will be using a series of Lightspeed offerings, including Payments, in their 18 locations throughout the U.S.A.



With 20 locations throughout Australia Zeus Street Greek's mantra is about enjoyment and fulfillment while focussing on high quality and consciously sourced ingredients. ZSG selected Lightspeed as their partner for all 20 stores bringing operating efficiencies to their point of sale, production and stock management.



A husband and wife team that left their careers, cashed out their retirement savings and set out to reinvent men's underwear. The company introduced the patented Stay-Tucked Undershirt and delivered more tailored and fit undergarments. Tommy John operates Lightspeed Retail and Payments in their 6 locations across the U.S.A.



# 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 to 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**
- **>50% of customers use more than one Lightspeed module** <sup>(1)</sup>

## 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

(1) As of March 31, 2021 (excludes customers from acquisitions after 1Q'20)



# Financial Overview

---



# Financial model characteristics

## Features

Recurring Subscriptions + Recurring Payments =

New customers  
More locations  
More modules

% of transaction volume

## Benefits

91%  
Recurring Subscription &  
Transaction-based Revenue<sup>(1)</sup>

Growth in Average  
Revenue / Customer  
Location (ARPU)<sup>(2)</sup>

Positive Net Dollar  
Retention Rates<sup>(3)</sup>

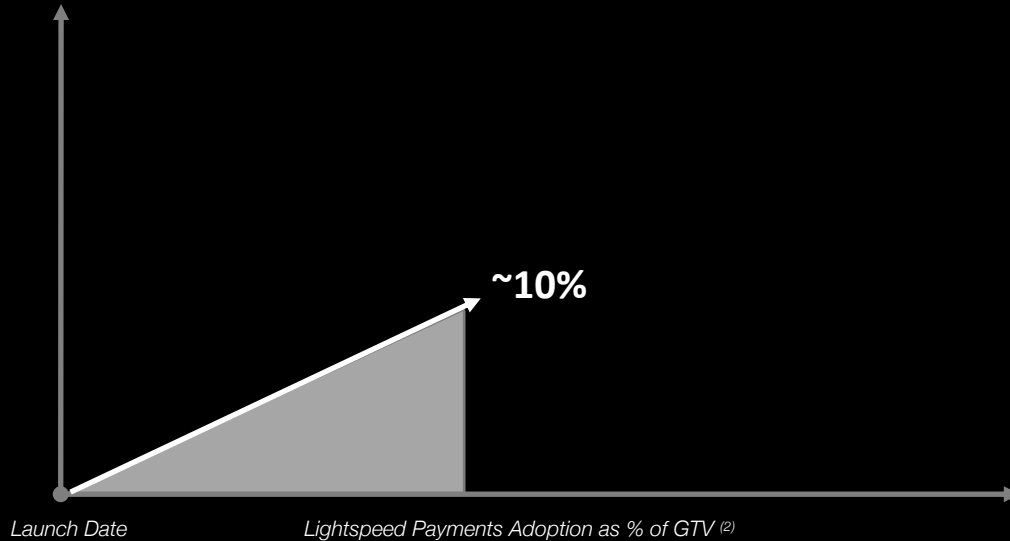


(1) For the three-month period ended March 31, 2021  
(2) Comparison of Q4'20 to Q4'21  
(3) As of FY ended March 31, 2021

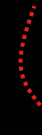


# The Lightspeed Payments opportunity

- Lightspeed Payments had its strongest quarter yet, with higher revenue and customer additions than any other quarter
- Solution priced at ~2.60% of the electronic transaction volume processed on a gross basis



Currently Processed by Lightspeed Payments



>\$33B  
LTM GTV<sup>(1)</sup>

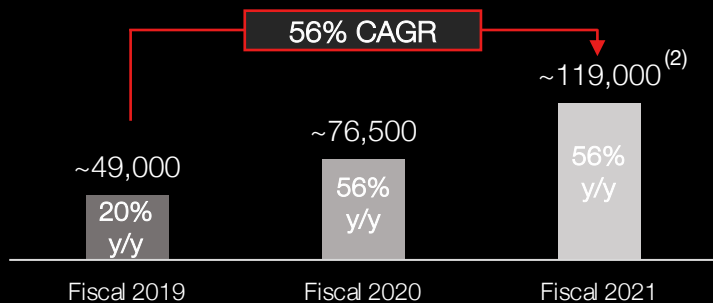
Long-Term  
GTV Opportunity

(1) LTM GTV as of March 31, 2021  
13 (2) In the last month Q4 2021 and excluding GTV generated by Upserve and ShopKeep.

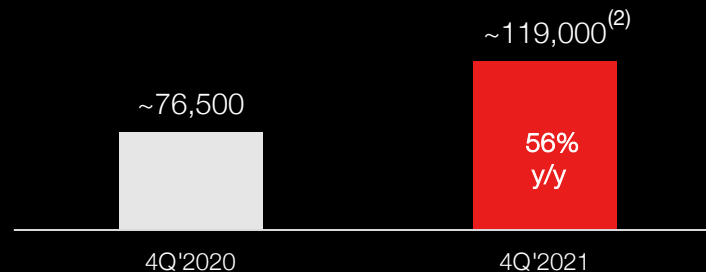


# Diverse, high-quality, growing customer base

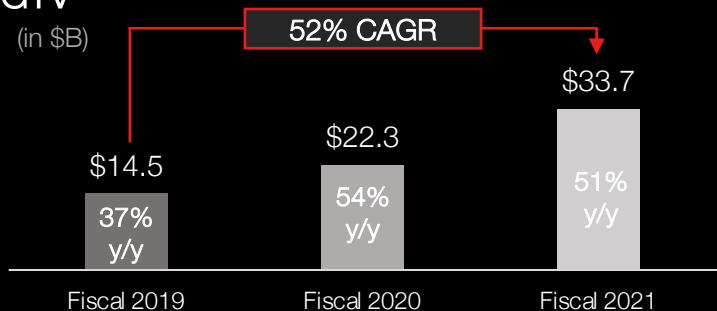
## Total Customer Locations



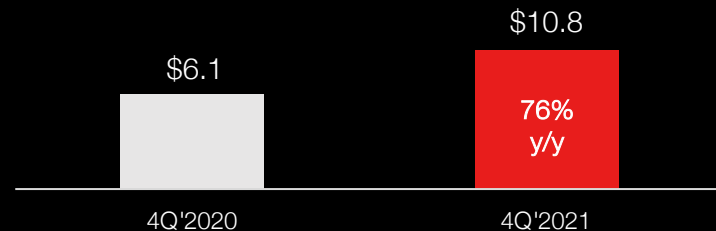
## Total Customer Locations



## GTV<sup>(1)</sup> (in \$B)



## GTV<sup>(1)</sup> (in \$B)



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

(2) After giving effect to the acquisition of Vend Lightspeed maintained over 140,000 customer locations as at March 31, 2021.

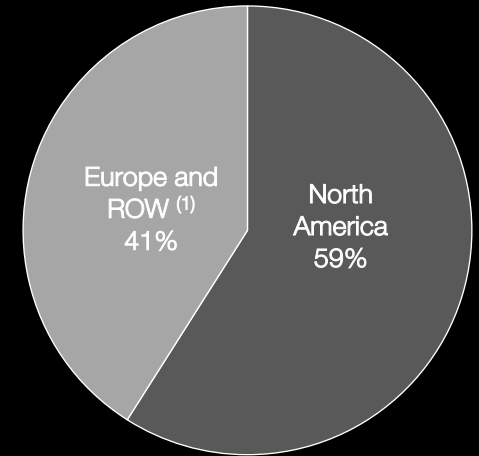
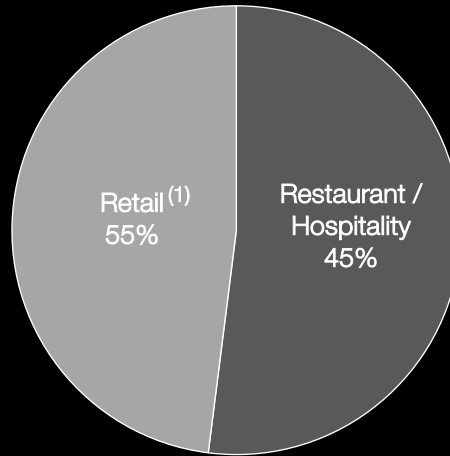


# Global footprint with strength across diversified end markets

✓ Diversified Merchant Base Across Geographies and Verticals

✓ Scale in Highly Fragmented Markets

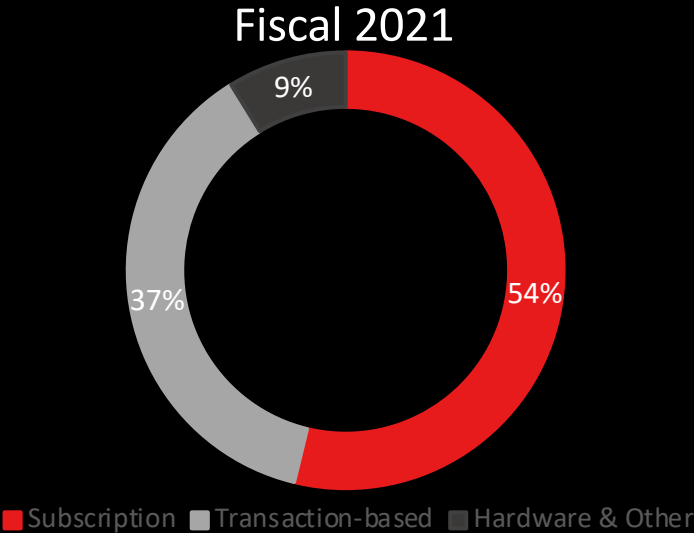
✓ Leadership Position in North American Market with Growing Global Presence



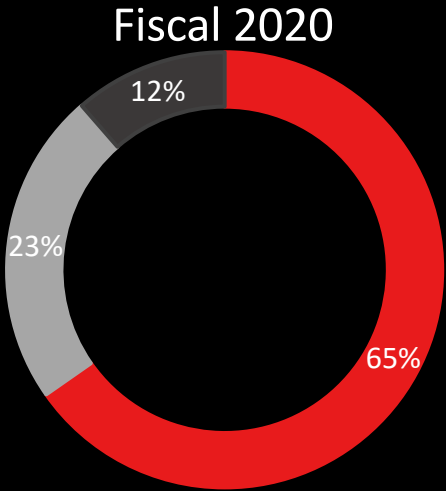
(1) Customer location count and industry distribution is approximate as of March 31, 2021



# Shifting Sales Mix – Growing ARPU



ARPU<sup>(1)</sup> March 31, 2021  
\$215  
+48% YoY



ARPU<sup>(1)</sup> March 31, 2020  
\$145

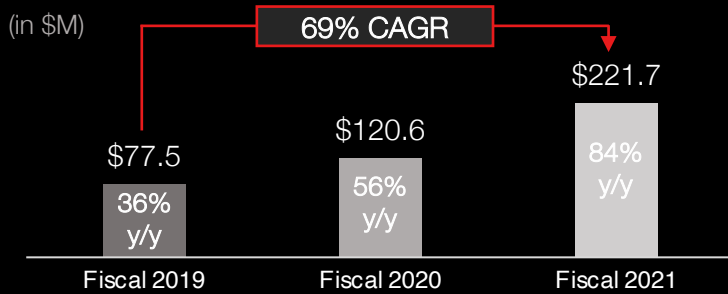
(1) Key Performance Indicator see Appendix A



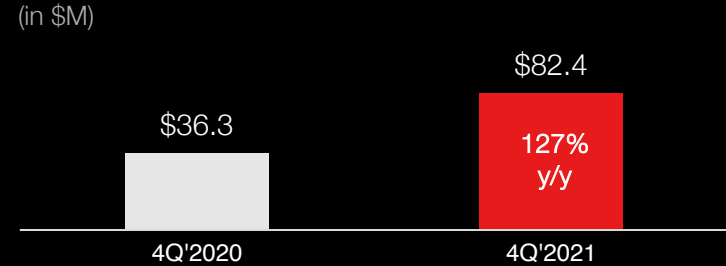


# Strong revenue growth

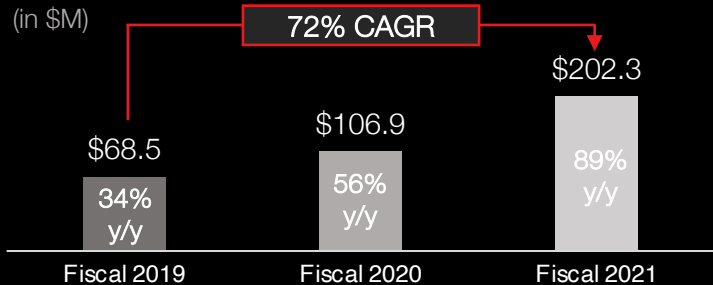
## Total Revenue



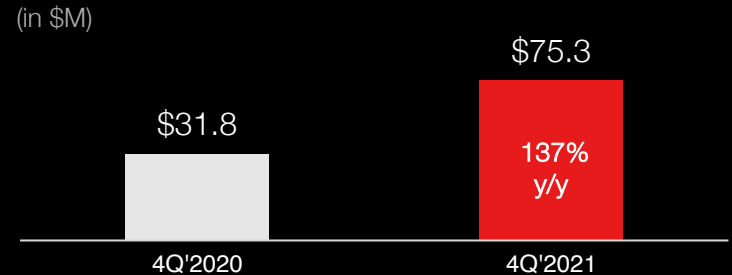
## Total Revenue



## Subscription & Transaction-based Revenue



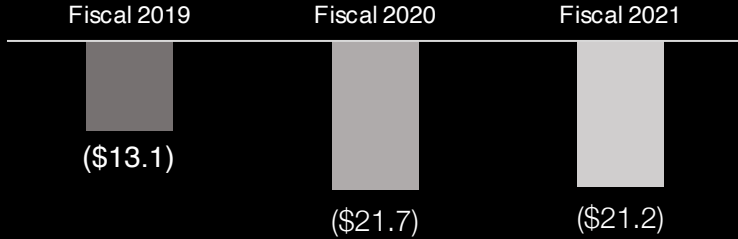
## Subscription & Transaction-based Revenue



# Improving Profitability

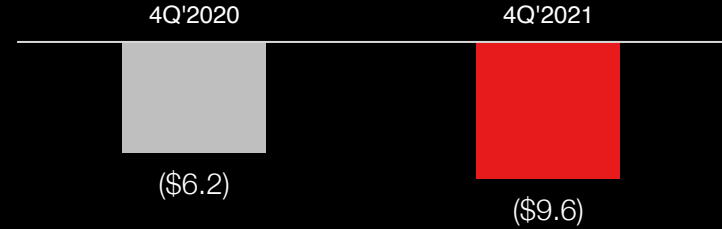
## Adjusted EBITDA <sup>(1)</sup>

(in \$M)

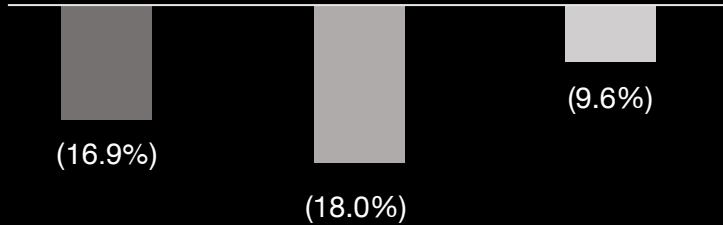


## Adjusted EBITDA <sup>(1)</sup>

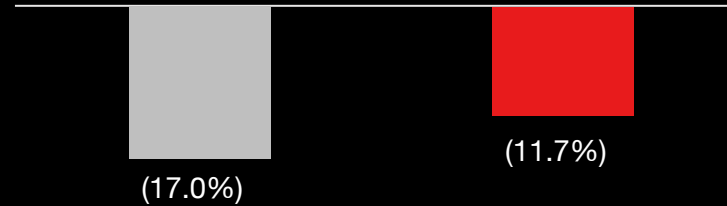
(in \$M)



## Adjusted EBITDA<sup>(1)</sup> as % of Revenue



## Adjusted EBITDA<sup>(1)</sup> as % of Revenue



(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 subscriptions and transactions
- ✓ **Growing and diverse customer base** driving >\$33B of Fiscal 2021 GTV globally <sup>(1)</sup>
- ✓ **Lightspeed Payments now driving significant growth** from Global customer base
- ✓ **Well capitalized with ~\$807M** in unrestricted cash <sup>(1)</sup>

(1) As of March 31, 2021



# APPENDIX

---



# Appendix A – Industry Metrics

---

## Appendix A

“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.

“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. We believe that our ability to increase the number of Customer Locations served by our platforms is an indicator of our success in terms of market penetration and growth of our business. We have successfully demonstrated a history of growing both the number of our Customer Locations and GTV per Customer Location through the increased use of our platforms.

“Gross Transaction Volume” or “GTV” means the total dollar value of transactions processed through our cloud-based software-as-a-service platforms 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 platforms. 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 platforms as of the beginning of the month and dividing our subscription and transaction-based revenue attributable to this cohort in the then-current month by total subscription and transaction-based revenue attributable to this cohort in the immediately preceding month.



# Appendix A – Industry Metrics (Cont'd)

## Appendix A

**Adjusted EBITDA is defined as net loss excluding interest, taxes, depreciation and amortization, or EBITDA, as adjusted for stock-based compensation and related payroll taxes, compensation expenses relating to acquisitions completed, foreign exchange gains and losses, transaction-related costs and restructuring. Adjusted EBITDA as a percentage of revenue is calculated by dividing our Adjusted EBITDA by our revenue. The following table reconciles net loss to Adjusted EBITDA for the periods indicated:**

<i>(In thousands of US dollars)</i>	<u>Three months ended March 31,</u>		<u>Fiscal year ended March 31,</u>		
	2021	2020	2021	2020	2019
<b>Net Loss</b>	<b>(42,045)</b>	<b>(18,597)</b>	<b>(124,278)</b>	<b>(53,531)</b>	<b>(183,525)</b>
Fair value loss on Redeemable Preferred Shares <sup>(1)</sup>	-	-	-	-	191,219
Stock-based compensation and related payroll taxes <sup>(2)</sup>	11,144	2,676	44,755	9,930	3,110
Depreciation and amortization <sup>(3)</sup>	15,450	5,631	36,483	13,467	4,537
Foreign exchange loss (gain) <sup>(4)</sup>	550	(300)	2,098	(395)	987
Net interest (income) expense <sup>(3)</sup>	(147)	226	353	(1,766)	(181)
Acquisition-related compensation <sup>(5)</sup>	2,144	5,138	11,807	11,087	454
Transaction-related costs <sup>(6)</sup>	2,459	1,159	11,615	2,658	1,023
Restructuring <sup>(7)</sup>	1,760	-	1,760	-	-
Income tax expense (recovery)	(936)	(2,111)	(5,792)	(3,110)	(30,729)
<b>Adjusted EBITDA</b>	<b>(9,621)</b>	<b>(6,178)</b>	<b>(21,199)</b>	<b>(21,660)</b>	<b>(13,105)</b>

- 1) This loss is with respect to the change in valuation of our Redeemable Preferred Shares from period to period, which is a non-cash item. Prior to the completion of our initial public offering on March 15, 2019, all of our Redeemable Preferred Shares were converted and the liability was reduced to \$Nil with a corresponding increase in share capital. There will be no further impact on our results of operations from these shares
- 2) 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 stock-based compensation, are estimates and therefore subject to change. For the three months and fiscal year ended March 31, 2021, the stock-based compensation expense was \$11,782 and \$33,859 respectively (March 2020 - \$4,060 and \$8,870) and the related payroll taxes were a recovery of \$638 and an expense of \$10,896 respectively (March 2020 - recovery of \$1,384 and expense of \$1,060).
- 3) In connection with the accounting standard IFRS 16 - Leases, for the three months ended March 31, 2021, net loss includes depreciation of \$1,221 related to right-of-use assets, interest expense of \$303 on lease liabilities, and excludes an amount of \$1,588 relating to rent expense while net loss for the fiscal year ended March 31, 2021 includes \$3,876, \$1,048, and excludes \$4,436 respectively (\$821, \$247, and \$954 respectively for the three months ended March 31, 2020 and \$2,492, \$852, and \$2,894 respectively for the fiscal year ended March 31, 2020).
- 4) These non-cash losses (gains) relate to foreign exchange translation.
- 5) These costs represent a portion of the consideration paid to acquired businesses that is contingent upon the ongoing employment obligations for certain key employees of such acquired businesses, or on certain performance criteria being achieved.
- 6) 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.
- 7) In connection with the Company's recent acquisitions of ShopKeep and Upserve, certain functions and the associated management structure were reorganized to realize certain synergies and ensure organizational agility. The one-time expenses associated with this plan were recorded as a restructuring charge in the quarter.



**IR contact**  
[investorrelations@lightspeedhq.com](mailto:investorrelations@lightspeedhq.com)

