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EDITED TRANSCRIPT

LSPD.TO - Lightspeed POS Inc on How Lightspeed Technology is Driving the Future of Commerce

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PRESENTATION

Gus Papageorgiou

Good afternoon, everyone, and welcome to our webinar today. I've been receiving a lot of requests for product demos. And over the next hour, we hope to show you how Lightspeed Solutions helps entrepreneurs manage and eventually grow their business. Our product suite is pretty comprehensive, but for the interest of time, we're going to try to keep it at under an hour.

So before we start, I'm going to read the legal disclaimer. We may make forward-looking statements on our call today that are based on assumptions and therefore, subject to risks and uncertainties that could cause actual results to differ materially from those projected. We undertake no obligation to update these statements, except as required by law. You can read about these risks and uncertainties in our filings with U.S. and Canadian securities regulators.

Our comments today may include adjusted financial measures, which are non-IFRS measures. These should be considered as a supplement to and not a substitute for IFRS financial measures. Reconciliations between the two can be found on our earnings press releases, which are available on our website, on sedar.com and on the SEC's EDGAR system. And final note that because we report in U.S. dollars, all amounts discussed today are in U.S. dollars unless otherwise stated.

So joining me today is going to be James Greco, our Team Lead for Sales Engineering. James, thanks for joining us today.

James Greco

Gus, thanks for inviting me. Super excited to be here.

Gus Papageorgiou

Before we get started, I just want to go through some important information about the webinar. First of all, please note that the webinar will be recorded and available on our investor -- on the Investor section of our website. It's scheduled to last 1 hour, including questions and answers. If you have any questions, feel free to submit them in the questions box in your control panel, which should be in your bottom right hand side, I think. And we'll do our best to answer them at the end of the webinar.

And just in terms of today's agenda, James is going to take you through a demo of Lightspeed Retail and then he's going to go through Lightspeed Restaurant, and then we'll take questions.

I'm sure that most of you are familiar with our company, but for those that are not, Lightspeed is a modern cloud-based commerce platform that helps entrepreneurs run their small to medium-sized businesses. We allow business owners to sell across mobile channels both physical, digital, manage their operations, engage with consumers, manage multiple locations and eventually grow their business through offerings like Lightspeed POS, Lightspeed Loyalty, Lightspeed Analytics, Lightspeed Payments, Lightspeed Capital and Lightspeed E-Commerce Solutions.

With that, I'm going to hand it over to James to kick off the demos. James, take it away.

James Greco

Awesome. So like Gus mentioned, we're going to start with a demonstration of Lightspeed Retail. So during the presentation, I think we're going to really try to highlight a couple of different areas that really set Lightspeed apart. These 3 main areas, first one focusing around the costing and inventory management. That's a popular thing within Lightspeed and why merchants come to us. The other one is complex workflows and customization around that. And the last one here is kind of this all-in-one suite. So everything from your e-comm, to your payments, to your retail, to all kinds of other add-ons that allow you to kind of get everything you need under one roof is kind of what makes Lightspeed so special and why customers come to us. So you'll see a lot of this during the presentation, and I'll buy hard back to this.

And one of the first things here that we're going to kind of touch on is how the system kind of looked, how it operates from a high level. So on my screen now, you'll see a general setup here of Lightspeed. This setup is going to include either a computer in our first version because Lightspeed can technically operate either on a browser on a traditional computer or we can also have is an iPad with a program app, which allows us to run the point of sale. So in both of the iPad version and the computer version, you can see here a pretty simple setup, computer, cash drawer, printer, some kind of Internet connection and payment terminal of sorts. So really straightforward, really easy to set up.

And a lot of the hardware here in nonproprietary. The things that you could typically get are immediately you're going to have from a previous system that you might be using. So the setup is really straightforward. And then beyond that, again, the benefit of the system here is that it's going to be cloud -- clearly cloud-based. And especially with COVID, this is a huge win for our customers because whether their store is shut down or whether they're trying to minimize the people in the actual store, if you are a manager, if you are an owner, you can still do a lot of your day-to-day functions, whether that be looking at reports, whether that be building purchase orders, whether that be looking at just general business information, you can get all that information, all access from home. You don't need to be in the actual business, the location to get access to all that critical information.

So let's go ahead and actually talk about the system how it works. So like I was mentioning, there's 2 versions here of the system. We have our web version and we also have the iPad version. I'm going to go ahead and focus predominantly on the web version just because there -- for demonstration purposes. And what we first do is when we log in, we're going to see 3 different locations here and then we're also going to have registers at each of these locations. I'm going to go ahead and open up the register here, register 1. And when I've gone ahead and do this, we're now going to see a lot of different information. So for example, we're going to see at the top here, we have our customer information, and this is going to tell us things like who the customer is, what's their contact information. It can also let us look at things like their transaction history, which is super useful if there's some kind of return or something that needs to be adjusted in the future, allows us to easily see.

We have our items search here, so most of our customers will be using bar coded items, but if you need to search or perhaps don't have a bar code, you have the ability to search here. And then we also have customization with custom buttons here. And again, this is going back to what we were talking about with respect to the complex workflows.

So if you need to add multiple items on a transaction or if you need to pull up a website for forms or for looking at catalogs, whatever the case is, these custom buttons here can be used for a multitude of different functionalities to help allow the merchant to really ease -- sorry, allow them to kind of get that usability they're looking for is a system which they might not be able to from a little more legacy system per se.

Let's go ahead and bring up a customer here. And maybe let's even create one from scratch. So we have created maybe John Smith here, Johnny Smith. You might give them a phone number as well. And then we're going to go ahead and attach the sale. So attach the sale here. And now I can go ahead and start to ring up the customer. My account is set up like a bike store. So perhaps I'm going to -- let's do maybe a water bottle as an example. Go ahead and let's use this water bottle here. And what I can see is, again, the price of the item and some other options down here.

But what I actually might want to do is maybe associate this to a different customer. If I click into the item, we're going to see, again, the price, if I need to override the price, I can do that here. I can associate this to a different place. In a number of scenarios you might have, employees that work on the floor and those that are just working at register. This allows you to still associate the sale to an employee who's working on the floor, that way, there is commission or whatever is properly attributed to that customer.

Let's just assume it's going to be the same. Go ahead and save this. And now I can go ahead and process the payment, simply hit payment here. And I can see all the different payment types. We can set up custom payment types. Like we mentioned, we do also have our integrated Lightspeed Payments, which do support Apple Pay, Google Pay. But in this case here, let's go ahead and let's just do a simple cash transaction, apply the max set around, finish the sale. And then it's going to automatically print a receipt if we want. You can also print a gift receipt and then we do also offer an e-mail receipt, which is great for if you try to maybe be a little more eco-friendly or also kind of go more on the fully digital route. Awesome.

So that is a simple sale, that's how easy and how quick it is to run a sale on Lightspeed. Let's go ahead and jump back for a second. What we're going to see here is a couple of other little details. So we have this loyalty button and loyalty has become a big part of our customers' request. And what we see more and more is, obviously, as customers start to move online and businesses moving online and having that retail presence, our system allows them to have what we refer to as this omni experience. So that also applies to loyalty.

So let's bring up Johnny Smith again. And what we can do here is Johnny Smith. Let's sign up Johnny Smith for loyalty. We hit this loyalty button. What it's going to allow us to do is I can see Johnny's phone number here. I'm going to create an account for Johnny. It's actually going to send Johnny a text message, which allows them to keep track of how many points they have or awards they're entitled to. It can automatically send them birthday promotions, et cetera. So a lot of interaction with the customer. But now they have been automatically signed up or we go back to the sale here, see that they're enrolled. But if I want, I can also apply promotions to this transaction.

And the same thing would be true online. So let's say Johnny was in the future, go ahead and go to my bike store online. Johnny can apply the point that he earned from my in-store transaction to his online purchases and vice versa, allowing the customer to have that uniform experience, regardless if it's in-store or online. So another thing that I like mentioning at this point, too, is the fact that when it comes to the payment side, like we were mentioning, Lightspeed Payments is a popular option now. The other thing that it goes hand-in-hand with this too, is really popular with our merchants is our gift card program. So with our gift card program, unlike a lot of other systems out there, it's not a per transaction basis. You can use the same card over and over. It can be used unlimited times. And there's actually no charge to use that gift card itself other than the cost of the physical card. Only thing you'll be paying for potentially would be a credit card. So the credit card fee is associated with that transaction. But the actual gift card itself, once it's been loaded up, it could be used a million times with no extra cost. So that's definitely a popular feature we have.

The other thing that's important here, too, is deposits. So going back to payments, in addition to the credit card payments, to gift card payments and custom payments, we do also have a deposit system, which allows you to take a deposit, whether it be for a special order, whether it be for maybe a layaway, whether be for -- maybe kind of accounts you want to have where people can start to accumulate benefits then pay it off. These are all things that can be done with the system here and all baked in. No kind of extra modules or things needed.

The other thing that's probably worth mentioning at this time, too, is the ability to have them in special types of sales. So we saw the traditional point of sale where it's just -- there's an item in stock, we want to sell it. But something that does come up quite a bit is if you do want to maybe special order something that doesn't quite exist in their inventory or they have something that's back ordered. These are all types of sales that Lightspeed can do. So let me click into the sales section here. And we can see that there is a special order function and also a layaway function.

The special function -- sorry, special order function is also beneficial because this will allow us to identify what needs to be ordered when it comes time to completing purchase orders. We'll see that in a little while, but again, this is a very popular and important part of the system. So at this point, let's go ahead and maybe talk a little bit more about the inventory itself. So I'm going to go down the left-hand side here. When I click into my inventory, what we're going to see is a number of different features. The first one I want to focus on is the inventory.

So like I was mentioning, the costing side of Lightspeed, the inventory side of Lightspeed, is probably one of the main reasons that merchants will come to us, so especially if you are in a vertical that uses a lot of different SKUs, bike stores is a great example, jewelry stores is a great example, different types in the vape industry and alcohol, number of different kind of verticals who have large numbers of SKUs, these are all ones that tend to flock towards Lightspeed because of the way that we handle our inventory, the ability to track it, the ability to determine the cost and that cost changing over time are all important features of the system.

So I'm going to go ahead and open up my items search here. It's going to show us every item that we have in our inventory, whether it's in stock or not, and we can also easily see the stock of other locations. So at a store, you're currently out of stock. You can either have the other stores. We

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can see here this one only has 2. So if I'm in a Montreal location, I could actually ask for the current location to transfer me some or what I can also do is, again, just simply tell the customer, if their location is close enough, adjacent location actually has some, and we can go ahead and just complete the transaction at that location. So at the high level, we're seeing a lot of information, we can definitely filter for different things, whether that be for the category, brand, vendors, et cetera.

But what I really want to focus on is what actually happens when we've got to create these items. So again, we found the item we're interested in. We know there is an inventory, but if we click into the item itself, we're going to see is a lot of great and critical information. So this is -- this example, this is what we would call a matrix item. And matrix item is kind of most classically thought of as like a T-shirt or something in the kind of maybe apparel world where you're going to have different sizes, different colors, different size variants. And typically, they all have the same price. So this is a very commonly requested and asked for a feature, and we're able to implement that quite easily.

And beyond that, we're going to see things like what is the identifier for this product. This is kind of Lightspeed's internal identifier. And then we also carry a number of different identifiers. So if this item was brought in through a catalog, we can see things like what is the manufacturer SKU, has the UPC code, et cetera. There's also ways to further organize this, whether that be with a category, whether that be with the brand et cetera. So these are all very useful when it comes to you to kind of find the item or also when you're trying to report on the item.

We can also go ahead and determine different price levels. So if you want to sell to -- is there maybe online in a different price or to customers at a different price point, these are things this system allow us to do, whether or not it's discountable whether not it's taxable, these cold costs. But then one of the probably the most important part here is the reordering point. And the idea here is that you can actually set a threshold of the minimum amount that you want to have on hand. So for example, let's say, we have this T-shirt here. This is one of my best selling T-shirts. I know that I always want to have 10 units on hand. What I can do is set up my threshold to be 10. And then when I go ahead and complete a purchase order, what I'm able to do is search the system to identify all the products that have fallen below this automatic reordering point and it will tell me the difference.

So if I have 5 that's on currently, and I want to have 10, it would automatically add 5 units to my purchase order, save me time looking through all of my past reports, seeing what I sold over a particular time period, just automatically ordering allows us to identify that preferential threshold and automatically add all those items that's kind of -- are below that threshold. Awesome.

Over on the time side, there's a number of other things that we can see here that are really useful for our customers. We can see every time that this item has been part of the sale, all the customers who have purchased it. All the time, this has been part of a purchase order, transfers, et cetera. So a lot of sales and inventory information tie back to this 1 product, and again, really highlighting the fact that Lightspeed is a very inventory centric program, which drives a lot of customers towards Lightspeed.

So just going back into the inventory here for a moment. Beyond what I just mentioned, the system also has the ability to go ahead and print labels. We can import items from past systems or if you're creating items from scratch, these can all be done in the import to save you time. So again, just a simple spreadsheet. The other parts here that we have that I like mentioning and I've already kind of alluded to, is the purchase order. So a purchase order is a great way to ensure that the costing of those items that you are selling is going to be accurate and also determines where it was sold -- or sorry, where it was purchased, how much it was purchased for, when was it purchased, et cetera, all that information is going to be in that purchase order. So we can see here, there are all of our purchase orders within this time frame. What I hope to you now is go ahead and create a new purchase order, select a vendor that we're going to be ordering it from, and just more information in -- can be added here, but these are things that can also be edited for the future.

And now what I'm seeing is the actual purchase order itself. So I can go ahead. I can add my items in one by one. I can also, like I was mentioning, used that auto add all button to find all the items that I would want to add that have fallen below that threshold. And then beyond that, we also have our special order component. So when I go ahead and click special order, I can see all the items that have been special ordered for a customer in the past and decide whether or not I want to add it to special -- to this purchase order, so that way the customer can get it as soon as possible. So again, the idea here is that the system is keeping track of multiple different kind of transactions, multiple different pieces of information, but they all kind of tie back at one point or another. So in this case here, there was a special order that needed to be ordered for the customer. We're

going ahead and adding it to our purchase order, but then at the same time, we're also adding all the items that have fallen below that threshold, allowing the merchants to spend a lot less time diving into reports and making sure that they're being as efficient as possible. Awesome.

So back on this inventory page, a few other things that are worth mentioning. We do also have this transfer function. So like I was mentioning, if you need to transfer between locations because one has maybe too much or there's that special order content, we can try and purchase and fill in a special order. We also have the ability to do inventory counts. So that way, when at the end of the month, end of the quarter or year, whatever the case is, we can go ahead and count all the inventory and make sure it matches within the system. And if there's any discrepancies, we can go ahead and rectify it through here. Again, having this many options in your inventory control is a big win for our customers because not many other systems will offer just the level of complexity.

The other thing that's relatively unique to Lightspeed here is going to be the ability to run services or work orders. Again, so in the touring industry, in the bike industry, pretty much anywhere that you might be doing work for customers, this is a great system because it's going to allow it to again easily keep track of all the orders that are either outstanding or have been completed or in some state or another. And beyond that, what we're able to do is to go ahead and maybe start a new one. It's going to ask me to fill in the customer information, it's going to go ahead and pick apart of my last use customer. And what it's now able to do is a number of different things. One of the most important parts and the commonly requested one is actually pull in previously ordered items from this customer.

So you had Johnny order a bike, what we're able to do is search for Johnny's customer item, let's say, it's a bike. It will then an autopopulate description, color size, maybe even a serial number. So that way, it's saving the employees filling up this form a little bit of time. We can then go ahead and say what is actually being done. Again, we have these custom buttons. And these custom buttons can be unique from the ones on the sales screen. So perhaps, again, like my bike store, maybe he was going to do a tune up. You can quickly add that tune up to the sale here, add additional items, perhaps they need some new parts. Those can be added here. And it's fine, who is the employee that is going to be working on it, when it was received, when it is due. And I can also add notes, either ones that would be visible to the customer and ones that would be internal. And then just simply go ahead and print a tag, so that way when the customer comes back, we can easily identify either their service order or if there's -- attached to a bike, easily find whatever that order is based off of the work order number. And then once that is all completed, we can go ahead and check out the customer and convert this work quarter into an actual sale.

So on the Lightspeed side of things, in terms of the day-to-day use, those are some of the most commonly requested things that we have but this is only really focusing on the retail side of the business. Lightspeed, like I was mentioning, also does have an e-comm site, which obviously with COVID, has been really, really popular to allow people who typically operate in brick-and-mortar to also come online. So let's switch over to our e-comm site, the customer just simply just click the little drop-down, go over to our e-comm platform here. And this is going to allow us to create all different types of designs, products shipments, all those kind of pieces of information can be handled here.

So let's go ahead and maybe jump first into the design section because obviously, that's going to be one of the most critical parts is how do we actually get the system up and running. So when we click the design here, it's going to go ahead and first show me a whole slew of different themes. And these can be both free, they can be paid for, and they can also some then even be optimized for different verticals. So we can see here, we have this one maybe is more optimized for beauty, something maybe more lifestyle focused. You even have one that's restaurant focused, which we'll kind of talk a little bit more about restaurant in a bit, but this is one that's been optimized for the restaurant side of the business. And then once you've gone ahead and found one that you think kind of matches the theme, the feel of your business, what you can do is go ahead and view this demo.

And at this point, it's kind of scroll through and you can make sure not only from just the picture, but from actually playing around with the system, does this make sense? Is this the feel that you're going for? Obviously, there is customization beyond this, but the general sense, is this what you're looking for? And if the answer is yes, what you can do is go ahead and buy or install the theme. And then once you've installed the theme, you can now go into the theme editor. And like it implies, it is just going to allow you to edit all the different components of that theme. So let's go ahead and add the theme itself.

And it's going to give you kind of a step-by-step guide on what we actually need to do to get you up and running for this store. And everything that you're going to do in the section here is kind of like a sandbox environment. So nothing would be live until you actually this publish button,

so you can play around with it however you like and not be considerable -- actually affecting the customer's experience while it's live. But on this left-hand side, these are going to be all those little components that we can play with. For example, this right banner image, if you want to go ahead and change the size or remove it all together, and these would happen in real time. We're able to go ahead and again, do that for every little section here. And can again, keep tweaking and tweaking until you actually get the site to the component to the way that you like.

And on top to that, too, we can even see it in different formats. So for example, this is what we look like on a tablet. And this is what it will look like kind of filled in. So again, making sure it's optimized for all of those different devices and how customers might be experiencing your user platform. Once that's all done, like I was mentioning, you can simply go ahead and publish and that site would be live. And then for those who like to -- or I mean, a little more technologically advanced or have maybe a web designer. We also have advanced option where they can go ahead and kind of head it at the code level to ensure that the site again is exactly like they're looking for and perhaps maybe the theme editor doesn't allow for 100% of the changes that they're looking for. Awesome.

Once the site is up and running, we're then going to have our orders start to pull in. And again, these orders will be based off of products that are actually having pulled right from the retail system. So there's no need to recreate or duplicate our products. We're able to push the products right from retail over to e-comm and again, pick and choose because obviously not all products might be best suited to online sales and definitely not the case for all retailers so we can pick and choose what's going to be available and then add different information. So for example, descriptions, additional content. We can optimize for SEO. We can kind of change the categorization. All of this can be done here. And that way, we're ensuring that the customer's experience on the retail is going to be optimized because sometimes the way you might set up your inventory on the retail side is not quite how a customer might be thinking of you out here. So we are able to really optimize what this is going to work, how it's going to look, et cetera, based off of these products itself.

But now once you have the products in place, we're able to -- we have our orders start pouring in. So we're going to have an order back office here and seeing all the orders that have come through, what needs to be shipped, what side of payment, is it a curbside pickup, is it a -- saying that it needs to be shipped either internationally or locally. All of that would be viewed here and we can usually kind of keep track of the statuses, ensure that nothing falls through the cracks.

So what are the other kind of popular things that we -- especially with the holidays happening now is discounts and whether these codes, whether these be kind of bulk. These are things that Lightspeed can also support. So for example, by a certain amount and at a slightly lower price and we also have the ability to go ahead and again, generate discount codes and also discount rules. These are all things that Lightspeed can help to ensure better conversion as well as upsell. So if a certain item in the cart, we can suggest, "Hey, you know with that bike, go ahead to maybe buy this water bottle." These are -- obviously that Lightspeed can handle here.

I think one of the last things I'd want to mention here on the Lightspeed side of things is our App Store. So again, Lightspeed having a very wide breadth of features within the system, but we've also gone ahead and paired up with a number of different great partners that can offer even more functionality. So we can see here, again, a Mailchimp integration is a commonly requested one. So if you want to add a marketing component to your platform, Mailchimp is a great one. Things like abandoned carts, if you've left something in your cart, I'm sure we've all been there and you've got an e-mail the day after or week after depending on the situation, letting you know you forgot something. So these are all different kinds of add-ons that we can add to our e-comm store that have been integrated through a partnership that allows us to either increase traffic, increase our conversion, better retention, better shop management, et cetera, all different things that we can add to the system here and to ensure that the merchant gets the exact experience they're looking for and can tweak Lightspeed again to their preferences.

Trying to keep this again more of an overview. One of the last things that I kind of wanted to mention here with respect to Lightspeed, that omnichannel experiences, the reporting itself. So when we go back to the system, we're going to see all kinds of information with respect to our reports. We can easily see taxes collected, totals that were sold, customers, what's on purchase orders, what's not, et cetera. So we have a really exhaustive list of reports that are built to the system. But beyond, we've also gone ahead and we do -- we offer Lightspeed Analytics. And Lightspeed Analytics is a reporting tool, but it's also really a business insight tool, which is going to show you things like how you're trending toward your goals, all different kinds of dashboards and I'll kind of give a quick overview here.

So our sales dashboard here gives you great insight as to how things are trending over time, are -- failed week-over-week based on the category, what are our margins like, how are they trending, our transactions, are they increasing, decreasing over the past year, this year, month, week and yesterday. So really allowing the business to, at a glance, see what's happening. But then when they want to really dive into the details, we do also have a number of reports. And again, these can show you things like, again, how are you progressing time over time.

We have a concept that's really popular called dusty inventory, basically showing you after a certain period of time, in this case here, it just had up to be 180 days, what has not sold. So these are things that you might want to put on sale to ensure that they don't kind of get even further out of style and certain that we're kind of recouping our initial investment as quickly as possible. And a number of different things. So products you need to reorder, things that are getting low, et cetera, et cetera. Trying to allow the business to operate as efficiently as possible, so it's been set up here to kind of get the business thinking about these different kinds of metrics and KPIs to ensure that they are improving over time, ensuring that the business grows with -- as Lightspeed grows as well.

And this is going to be broken out in different sections. So this was really focused here. Firstly, on the sales and inventory. We do also have an employee performance. So looking at which of our employees are selling best and also being maybe used to identify some kind of commission calculations, and then we even have a marketing section. So what's the value of your customers, what is -- what items are commonly bought together, things along those lines. These systems here will help you identify -- they can help the merchants understand how better to sell, maybe what not to sell, et cetera. Again, analytics here really giving that customer more insight into how better to operate.

So now looking at the restaurant point of sale platform. We're seeing a lot of similar benefits, one of the first and primary ones being that this is going to be in a cloud-based system. But we've also added an offline mode with a local server. This way, should your Internet go down, you can still operate the business, send orders to the kitchen and operate in your -- the majority of your day-to-day matters. So let's go ahead and kind of dive into some of the main functions here, kind of punching my pin. And when I do punch in the pin, what I'm going to see here is my floor plan. And this floor plan allows us to have different table files. I also can have different sections. So in the top left here, right, go ahead and tap floor option, I can look at maybe a patio, maybe a quick-serve environment, different types of layouts here, so depending on me as a server, depending on where I operate. I can easily jump back and forth between these options here. But more importantly, what we're going to see is all the tables and then beyond that, what we're looking at is kind of the states of those tables.

So for example, I can see in tables 1, 3, et cetera, the ones here in green are currently occupied, tables 2, 15 to 9 are currently in red, meaning that they're in some kind of payment state, they've requested the bill. These customers are going to probably be done soon which is really useful if you have maybe kind of a host stand or something along those lines that we need to give customers a rough idea as to when a table might be cleared. This can give some indication, perhaps maybe your typical turnover time after a bill has been received is 5 to 10 minutes. This allows you to better gauge when these tables would be available. And then we have tables 5, 4 and 8 here, which are currently this opaque, they're available. So we can go ahead and actually seat some customers.

I'm going to go ahead and maybe tap on table 4 here. And we're going to see is all of our different items, they're going to be categorized. So at the bottom here, we have all the different categories. Within the category burger, for example, we have all the items above it. And then on the right-hand side, we have the items that are being ordered. When it comes to the items being ordered, there are a number of different ways that we can actually look at the order itself. For most of the fine dining or full-service restaurants, we'll be looking typically at the seat view and the reason why is that more and more customers are looking to split their bills in various different manners or if you want to know exactly what are the customer -- customer want it and what they've ordered, this allows you to do that. But depending on how you operate, perhaps you care more about the time in which an order was punched in. We have a time view, we can simply just look at all the products, another view that way, which user, which employee punched in an order. And then for more your fine dining restaurants where we need to send things off in particular courses, perhaps this is a multicourse meal, that is also an option we could do here. So you can typically kind of just tap and move between the different views in this section, again, depending on how your restaurant operates.

So let's go ahead and actually start an order. In this case here, I'm going to go ahead and maybe have some shared appetizers that are going to be on the table. So you can see the table here is highlighted. I'm now going to go ahead and tap my appetizer category. I see all of my different products. These are color coded. I, as the owner or the chef, whatever the case is, I can actually custom color code these to make sure that perhaps all the salads are in green or whatever the case is so it's easy to identify. We can also customize the number of tiles on the screen. So I'm going to

order perhaps some crab cakes and a calamari here for the table. And again, just simply tapping on the button. I'm going to add it to the table here. And then I'm going to start to order things specifically to the seats.

So in this case, what I would do is simply tap seat one, for example, and then I can maybe go over to burgers because this is what the customer wants. I can go ahead and maybe select this premium Angus burger, but perhaps a customer has a question or this is a new item -- about this on the menu. What an employee is able to do is actually push and hold an icon. It can bring up a picture of this item in question. And what the staff can do is if they bring in iPad to the table, they can show them what it looks like. But a lot of restaurants find the note section here even more valuable. So this is going to tell them things like perhaps what sauces are on the item, wine pairings or beer recommendations. Those can be added here. We can also have things like potential allergens that the service should be aware of. And then if this is something that's -- perhaps there's going to be limited offerings for the evening, what we can do is also put a stock here, so you can keep track of how many items that are actually available so that we don't oversell these products here.

But when I go ahead and actually place the order, I tap the button, there's an option for modifiers. So things like toppings and spice levels, et cetera. These are all things that can be added to the product itself. We do have customization here. For example, things can be on a secondary page, they can be listed vertical, they can be horizontal, minimum, max numbers of options, you had to pick 3 of 5 modifiers, up charges. These are all things that Lightspeed can easily handle here. What I've gone ahead and added the item, you can see here now on the bill. I'm going to go ahead and tap on to seat 2 and then maybe order something for this customer and keep it straightforward. Seat 3 perhaps. Again, I don't know, let's do a mac and cheese here and then seat 4, perhaps they aren't very hungry. They want simple salad. I'm going to go maybe back to my appetizers, order this Classic Caesar salad here. And now we can go ahead and send it off to the kitchen.

So when we send it off to the kitchen, again, depending on the type of environment that this restaurant is, what we're able to do is potentially reorganize how things are going to come to the kitchen. Some restaurants just want everything at once. And then they'll just send it out to the dining room as necessary, but what we're also able to do here, is allow the kitchen or the employee to reorder things. So we have the Caesar salad here, which is typically considered an appetizer and see here in course 1, I can actually easily move into course 2, that little 3 line icon. And again, the benefit here is that when the kitchen receives it, they'll know despite a salad being typically an appetizer, this customer here wants it as a main, send it out with the mains and as simple as seeing print here, that would automatically fire this order into the kitchen or into the bar wherever that order needs to go and have the particular items printed in the most appropriate spot for that restaurant. So that's the ordering process.

The next item is really kind of how we actually pay for it. And to do that, you would simply go ahead and hit pay. We're going to see all different kinds of payment buttons along the bottom here. Again, I've color coded these to kind of emphasize some of the customization pretty -- again, customizable in that front. And then what we can do here is go ahead and again, select the different types of payments like we're mentioning. We have our Lightspeed Payments for credit cards. We also have options for gift cards and again, the benefits here to know charges per transaction.

One of the things that people really like about the Lightspeed system, too, is how we split our bill. So when we hit the split bill button, there's actually going to be a number of different ways that we can do this, so they be split by item, by seat, equal parts. I'm just going to do a split by seat as an example, and we can see here, and gone ahead, generated multiple different receipts. I can combine them if necessary. So perhaps you have a couple and two individuals sitting at the table, we can go ahead and combine those necessary ones onto one bill. Easily move things around, again, depending on whatever is necessary. And something that a lot of restaurants have difficulty with is perhaps they've maybe spent a little bit too much time splitting the bill. We're able to do is easily push this button, revert to split, bring it back to how it was originally punched in. And then again, kind of split it up as we meant to do it rather than how we may have messed up.

So at this point here, we can go ahead. I'm just going to do maybe a credit card transaction, finalize the orders here. And then we're cleaned out for that table. So overall, really straightforward, and that's kind of what we're focused on, trying to make the ordering process and the overall experience as easy as possible. The other part that I might want to just highlight to you in a big kind of trough for merchants to use Lightspeed is on that payments side. And when it comes to the payments, it's also how it's integrated with respect to hotels. So a number of hotel chains have started to use Lightspeed as a result of our integration with the different property management systems. So the benefit here is when you go ahead and click whatever that property management system was, you can go ahead and actually search the database for customers that have check-in. So John Smith, it would then search the database, find any Smiths on any room numbers that have checked in and then I can actually apply this

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to their bill when they check out for -- after they're saying they can pay for it at that point as opposed to having to pay for it when they actually have dined at the restaurant.

So that's a pretty high-level overview of the point-of-sale system. I do also wanted to spend some time kind of talking about some other components here. So the other one I want to maybe highlight at this point is how does the back office work, I'm just going to switch my screen momentarily here. And what we're looking at here is our back office. As you can see, again, very clean, easily kind of keep track of how things are progressing for the day. We can easily jump to a report here. We do offer reports that can be e-mailed on a daily or weekly basis for a number of different reports. The product reporting here is typically kind of requested when -- how are things are selling over this particular time frame.

We also have a really easy to set up menu, basically again, select, add a product. Go ahead and add the name, the price maybe modifiers, this can all be added in a quick method. We do also support things like a timed event, happy hour, maybe day special, senior specials. These are all things that can easily be controlled here within the system as well as all the other kind of device settings, payment settings, anything, et cetera. And these are all things that can be done, again, remotely. You don't have to be in the actual office, because, again, this is a cloud-based system. And when you make those changes, they can be pushed live, should you want to make that change in that moment.

So the last thing that I think I want to just mention here, too, in terms of kind of the back office side of things is the way that we can have items pulled from Lightspeed here into online platform. So we've obviously been ordering a lot more food online with respect to COVID and not having necessarily the ability to dine into restaurants. So one of the benefits of the Lightspeed system is that we do offer our own in-house ordering where a restaurant can set up a website, which customers can place orders and that would fire directly into the kitchen. Everything would be pulling from this main menu. The same thing also applies to delivery platform. So depending on where you are in the world, things like Uber Eats, Skip the Dishes, Deliveroo, DoorDash, et cetera. These are all things that can be linked and synced with Lightspeed.

So maybe just the first one here to kind of touch on is our version of the Order Ahead platform. And this is something we've launched back in October, but has definitely become one of the most popular and highly anticipated features. What it allows you to do, this is a multilocation account. I can select the location I want to order from. It will then go ahead, bring up the menu. Again, this menu is being pulled directly in from Lightspeed, no need to manage an online menu. And in restaurant, many of these can all effectively be stemming from that same individualized menu. Go ahead. You can pick your products here, pulling images again from Lightspeed, your modifiers from Lightspeed, this is your order. Everything would be showed up here in terms of how -- what the totals are. I can select when I want to pick it up. If I want delivery, what that delivery cost would be. And then we're also supporting curbside pickup with the ability to leave a note. So again, very optimized for how things are operating right now with respect to COVID.

Again, this being the Lightspeed Order Ahead platform, the one that we've developed ourselves, but we also have, again, an integration that allows orders that might be coming in from things like online delivery platforms such as Uber Eats, and in which case, what we're able to do is sync our menu to those online platforms. So in this case here, I have my demo account linked to delivery with Uber Eats. And what this is going to allow for is those orders that would typically come into a tablet, they can now be automatically accepted, automatically fired into the kitchen. In that way, restaurants don't have to worry about fumbling over things like reaching in orders, which could potentially result in orders being missed or orders being entered incorrectly. It saves a lot of time. It also means less clutter And there's something that a lot of people know is that there's actually the ability with these delivery platforms to have a ranking system, very similar to how you have SEO for e-comm sites, same kind of thing for delivery platforms.

So the quicker you accept an order, and in this case, sharing can be done automatically, the more accurate that order is, so the less kind of step chargebacks, but errors and complaints you have, the speed at which you complete the order, all these things kind of work towards your ranking. So with a platform like this, the big benefit, having all those parts automated or streamlined is going to fully increase your ability to go up the rankings. And then in turn, also make more money because you'll have more orders coming in because you're higher up on -- when people search for burgers or whatever the case is.

So yes, this platform here, definitely a big win. One of the other kind of last things that had recently been introduced here is our restaurant e-comm team. As it implies, we've updated and optimized this to work specifically for restaurants. So very simple site, allows them to easily pull in information from Lightspeed, things like their order ahead platform. We also have the ability to kind of plug in reservations if you're allowed to have reservations

currently in your area. You can sell products. So if you need an extra source of revenue, something we also can sell through here and through our e-comm platform, your locations and then even the ability to pull in through Instagram.

So Lightspeed has spent a lot of time kind of developing these platforms to kind of help businesses on all fronts, especially with the way things that have been going in COVID, a lot of new developments in that regard so sort of customers can keep up and running just by having maybe limited options with certain restrictions.

QUESTIONS AND ANSWERS

Gus Papageorgiou

Okay. All right, James, thanks. That was great. We have a few questions here. So next to inventory reorder, what are the most common automated processes that we're seeing on the platform?

James Greco

Yes. So with respect to the inventory side of things, I think a lot of the automation revolves around kind of how we report on it and what you can action on. So for example, what has kind of not sold for a particular period of time, what we referred to as dusty inventory items out of stock transferring between locations, inventory counts to kind of consolidate or confirm what you actually have in stock matches what the system says, and a whole other kind of list of kind of KPIs and other key metrics for -- that you can find in reporting and analytics.

Gus Papageorgiou

Great. Another question, when we're onboarding new retail customers like a bike shop, how much assistance do we give retailers in helping them initially populate the inventory in the system?

James Greco

Great question. So the process to import themselves is relatively straightforward and also something that we cover in our onboarding process. So for example, we'll teach you how to use the import tool and you can do up to 10,000 SKUs at a time right now. However, if perhaps it's not your forte or you want Lightspeed to help as well, we do also offer import service where they can send us a file with all the pieces of information and that we can complete the import for them.

Gus Papageorgiou

That's great. And what about product management systems? Do we allow integration with product management systems?

James Greco

So yes, for the PMS services on the restaurant side of things, we have a whole list and we're always adding more and updating the kind of in-depth integration we have with them. In terms of the most up-to-date list, we do have an integrations page live on our Lightspeed website, and I'd probably recommend looking there to determine which we currently offer because, again, it is always updated.

Gus Papageorgiou

Great. Another question here. And could you discuss how suppliers for retail could be added into the system? And also, I noticed that there was a supplier market beta icon in the retail tab, maybe could discuss that in context of this question?

James Greco

Definitely. So we had 2 kind of instances right now. The first one is more of a traditional method where we can actually upload catalogs or get access to catalogs from the suppliers, whoever might be with the vendor for a particular retailer. In that case, it's again kind of more of an analog version where we're basically just searching through a list of items that has been provided from a supplier. So we can still associate and order things from that supplier, but we're not actually getting live information.

So what they have in stock at their warehouse, what MSRPs might be changing over time, and that's kind of where the supplier beta comes in. I won't speak too too much, It's still in the beta process, but we're looking at basically, again, integrating directly with suppliers of different verticals so that merchants can get the most up-to-date information, again, inventory prices, et cetera, to make the kind of transition between a more data system having to order manually to being -- to do everything kind of in one spot with Lightspeed.

Gus Papageorgiou

Great. A couple of questions on do we integrate with services like DoorDash?

James Greco

So yes, the delivery platform does allow us to integrate with a number of different key providers with respect to delivery space. So DoorDash is an option, Uber Eats, Skip the Dishes, Postmates, et cetera. So there are quite a large number that we do integrate with, and we're always adding more.

Gus Papageorgiou

Great. Another quick question here is how long is the typical onboarding process stake?

James Greco

So it really depends on the complexity of the merchant. I would say that for someone who has a relatively limited number of items, both on the restaurant and the retail side, you're probably looking at somewhere between, say, 2 and 4 weeks on the kind of conservative estimate. And then if you're maybe a more advanced, where you're going to have e-comm site, a huge list of SKUs, et cetera, we want to set you up for a success in which case we'll probably suggest somewhere between 6 to 8 weeks but it definitely could be longer if, again, the kind of complexities and integrations for services go beyond the kind of the norm.

Gus Papageorgiou

And all of that is done remotely for the most part, correct?

James Greco

Correct. Exactly.

Gus Papageorgiou

Okay. So a question here. We didn't really go through the golf vertical, which has been pretty popular for us. Of these 2 offerings that we showed, is golf more like retail? Or is it more like restaurants?

James Greco

Great question. So golf is just kind of its own system altogether. So it is as it implies, very focused on things like tee sheets and membership, how many courses you played over the year, et cetera. So that component itself is very golf optimized, but the benefit here is that it does still integrate with the retail and the restaurant side of the business. So for example, if you are a larger course, you do have a club shop and you do have a restaurant. The golf system basically kind of acts as the middle point that's going to connect the retail side and the restaurant side. So everything is going to speak to each other and you're not really working in kind of a siloed instance where a lot of other systems might have that or where you might have a retail store and then a golf membership, Lightspeed here is going to kind of allow you to connect everything together under one roof.

Gus Papageorgiou

That's great. You showed a lot of features, like for dusty inventory where it was 180 days. But how customizable is -- are those features? If you decide that you want to know when inventory is, for example, over 90 days or you want to set certain limits for low stock, can you do that within the system?

James Greco

Yes. So within Analytics, you definitely have the ability to customize some of those components. So this again would be with our full-fledged analytics platform, allowing you to customize things typically at the top level category. And when I say top level category, there might be accessories, so that would be everything you have in accessories. Not necessarily gloves and then men's, et cetera. So that kind of top-level accessories as a whole, you can definitely categorize and customize that to be 90 days, 100 days, whatever the case would be for each of those categories itself.

Gus Papageorgiou

Okay. Great. Here's a question I get a lot, and I'm not sure how you can take a stab at it, and I'll also chip in if you want. The acquired businesses like Upserve and Gastrofix, will they be integrated into a common platform? And is it important and difficult?

James Greco

Yes. So I might let you kind of finish off my answer here.

Gus Papageorgiou

So absolutely, both Upserve and Gastrofix and all of our acquisitions are going to be integrated into a single platform. Lightspeed One is the product name. We're not interested in maintaining a portfolio of solutions. We really want to get down to one solution. Some will happen faster than others. But over time, we are going to one Lightspeed solution globally, for sure.

Do we tell what we've done with product managements? I guess -- oh, lots more questions. Oh, yes, there's a couple of questions on payments, but if we look at our e-commerce solution, what do you think are the like -- what are the kind of differentiators of our e-commerce solution versus competitors?

James Greco

So I think the kind of part that really separates Lightspeed from the competition is not necessarily individual components but how everything works together. So I saw a question there with respect to like how automated are the sales and the information between retail and e-com. And again, I think that's where Lightspeed really shines. So for example, if you do have a store as well as an e-comm site, the information will sync between the 2. So having one product on your retail side, it's easily able to be now launched on your e-comm and as well kind of vice versa, if you sell something online, that sales information would show up in your retail store as well as the customer information.

So it's really having this kind of one Lightspeed concept where everything will basically again sync back to one unified spot and you're not having to check multiple different places for reporting or inventory whatever the case might be.

Gus Papageorgiou

Great. I think we'll take one last one because we do want to stay on time. What about the solution for time-based services such as gyms or spas or fitness classes? How well does the system work for those types of business?

James Greco

So that's definitely an area that we're kind of starting to emerge into. Some of the features that we do have, obviously, inventory centric is great for those things that you do sell, however, over the time and services, there are things that we're working right now with partners to build out even further and some internal systems that we're adding to make us more optimized to work in those spaces. But as of right now, we don't spend -- or we don't have a ton of representation in those areas.

Gus Papageorgiou

But I think also the services like subscriptions, which we launched a couple of months ago, will help in that area for sure.

James Greco

Definitely.

Gus Papageorgiou

Yes. Okay. James, thanks. That was great. We appreciate your time. For everybody -- I kind of remind everybody, again, that the webcast will be hosted on our site. For those of you that missed it or want a replay. Any questions, feel free to reach out and contact me. Thank you everybody, for coming.