Lightspeed POS Inc. Announces the Acquisition of Kounta

Lightspeed bolsters presence in Asia-Pacific market as another world-class team joins the fold

MONTREAL, October 20, 2019/CNW Telbec/ - Lightspeed POS Inc. (TSX:LSPD), a leading omnichannel point of sale platform for over 51,000 customer locations[1] worldwide, today announced that it has entered into an agreement to acquire Australia-based Kounta Holdings Pty Ltd, a rapidly growing, cloud-based POS solutions provider to small and medium-sized businesses operating within the hospitality industry.

Combining with Kounta will strengthen Lightspeed's resources to provide even greater customer experiences as it expands into the Asia-Pacific region, while tapping the talent and expertise needed to accelerate Lightspeed's mission of becoming the leading global POS platform for small and medium-sized businesses, the backbone of vibrant cities and communities throughout the world.

The purchase bolsters Lightspeed's footprint across Australia and New Zealand by more than 7,000 customer locations[1], including leading small and medium-sized brands across cafes, bars, full service restaurants, high-end boutique hotels, and more.

"Kounta's impressive track record is thanks to its team, and we are excited to welcome them into the Lightspeed family," said Dax Dasilva, Founder and CEO of Lightspeed. "When smart minds collaborate, our merchants are the main beneficiaries of the resulting innovation, ultimately enabling SMBs around the world to reach their full potential through our technology."

"Joining Lightspeed, a recognized global leader, is a testament to our hard work and also a shared passion for empowering independent businesses," said Nick Cloete, Founder and CEO of

[1] Non-IFRS measure. "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.

Kounta. “We are immensely proud to partner with a company so well aligned on purpose, culture and technology.”

DETAILS OF TRANSACTION

Founded in 2012, Kounta generated revenue of approximately USD $6.4 million[2] in their fiscal year ended June 30, 2019. Lightspeed will acquire all of the outstanding shares of Kounta for approximately US$35.3 million[3] in cash on closing and the issuance of 306,290 subordinate voting shares in the capital of Lightspeed, at a value of US$25.05[4] per share subject to post-closing working capital adjustment. An additional US$7.5 million[3] in deferred cash consideration along with the issuance of 299,692 subordinate voting shares in the capital of Lightspeed, at a value of US$25.05[4] per share, is payable to certain Kounta employees through October 2021, in each case if certain milestones, including the continued employment of those employees, are achieved by June 2020 and October 2021. An additional amount of US$3.4 million[3] tied to a marketing alliance agreement is payable to one selling shareholder in three annual installments beginning on closing. The deal is expected to close before the end of the current month, subject to customary closing conditions.

Additional details regarding this transaction will be communicated during Lightspeed’s conference call to discuss second quarter 2020 results, scheduled for November 7th, 2019.

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[2] Unaudited. Determined in accordance with IFRS.

[3] Converted into U.S. dollars using an exchange rate of 0.6831, being the daily rate of exchange posted by the Reserve Bank of Australia for conversion of Australian dollars into U.S. dollars on October 18, 2019.

[4] Based on the 10-day volume-weighted average price of Lightspeed’s subordinate voting shares on the Toronto Stock Exchange immediately prior to the date hereof converted into U.S. dollars using an exchange rate of 0.7615, being the daily rate of exchange posted by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 18, 2019.

ABOUT KOUNTA HOLDINGS PTY LTD

Kounta is an Australian technology company with a mission to make it easy to cost-effectively allow merchants to better run, connect and grow their businesses through a simple yet powerful point of sale experience. A leader in high-performance device-agnostic omnichannel POS solutions and business management systems for the restaurant and hospitality industries, Kounta serves more than 7,000 customer locations[1] primarily across Australia and New Zealand.

ABOUT LIGHTSPEED POS INC.

Lightspeed (TSX: LSPD) is a cloud-based commerce platform powering small and medium-sized businesses in approximately 100 countries around the world. With smart, scalable, and dependable point of sale systems, it's an all-in-one solution that helps restaurants and retailers sell across channels, manage operations, engage with consumers, accept payments, and grow their business. Headquartered in Montréal, Canada, Lightspeed is trusted by favourite local businesses, where the community goes to shop and dine. Lightspeed has grown to over 800 employees, with offices in Canada, USA, Europe, and Australia.

FORWARD LOOKING STATEMENTS

This press release may include forward-looking information and forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions and are identified by words such as "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Certain statements made in this press release are forward-looking statements, including, but not limited to, statements relating to benefits expected to result from the acquisition of Kounta by Lightspeed, including our plans for expansion in the APAC region, our business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. Such statements are based on current expectations of Lightspeed's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors. A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward-looking statements contained in this news release. This news release should be read in conjunction with the risk factors set out in the most recent Management's Discussion and Analysis of Financial Condition and Results of Operations and under "Risk Factors" in our most recent Annual Information Form, both of which are available under our profile on SEDAR at www.sedar.com. Readers are cautioned to consider these and other factors carefully when making decisions with respect to the Lightspeed and not to place undue reliance on forward-looking statements. Forward- looking statements contained in this press release are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that Lightspeed considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Lightspeed. Except as may be expressly required by applicable law, Lightspeed does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are provided herein for the purpose of giving information about benefits expected to result from the acquisition of Kounta by Lightspeed, including our plans for expansion in the APAC region. Readers are cautioned that such information may not be appropriate for other purposes.

There can be no assurance that the benefits expected to result from the acquisition of Kounta, including our plans for expansion in the APAC region, will be realized. The market penetration in the APAC could materially differ from current expectations.

For more information, please visit: www.lightspeedhq.com

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