UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2025 Commission File Number: 001-39498

LIGHTSPEED COMMERCE INC.

(Exact name of Registrant as specified in its charter)

Canada	**7372**	**98-1137623**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

700 Saint-Antoine Street East, Suite 300
Montréal, Québec, Canada H2Y 1A6
(514) 907-1801
(Address and telephone number of Registrant's principal executive offices)

Corporation Service Company
251 Little Falls Drive
Wilmington, New Castle County, DE 19808-1674
(800) 927-9801
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copy to:

Dan Micak, Esq.
Lightspeed Commerce Inc.
700 Saint-Antoine Street East
Suite 300
Montréal, Québec, Canada
H2Y 1A6
(514) 907-1801

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Subordinate Voting Shares	**LSPD**	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by this annual report:

The Registrant had 146,399,347 Subordinate Voting Shares issued and outstanding as of March 31, 2025.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company. ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

PRIOR FILINGS MODIFIED AND SUPERSEDED

This Annual Report on Form 40-F of Lightspeed Commerce Inc. (" **Lightspeed**", "**we**", "**our**", the "**Company**" or the " **Registrant**") for the year ended March 31, 2025, at the time of filing with the U.S. Securities and Exchange Commission (the "**Commission**"), modifies and supersedes all prior documents filed pursuant to Sections 13, 14 and 15(d) of the U.S. Securities Exchange Act of 1934 (as amended, the "**Exchange Act**") for purposes of any offers or sales of any securities after the date of this filing pursuant to any registration statement or prospectus filed pursuant to the U.S. Securities Act of 1933 (as amended, the "**Securities Act**") which incorporates by reference this Annual Report on Form 40-F (or any of the documents filed as Exhibits to this Annual Report on Form 40-F).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Lightspeed has made in this Annual Report on Form 40-F and the documents filed as Exhibits hereto, and from time to time may otherwise make, forward-looking statements under the provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act, and forward-looking information within the meaning of applicable Canadian securities legislation.

The Company's actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements represent the Company's views as of the date of this Annual Report on Form 40-F. The Company anticipates that subsequent events and developments may cause these views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company has no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent the Company's views as of any date other than the date of this Annual Report on Form 40-F.

See Lightspeed's annual information form for the year ended March 31, 2025, attached as Exhibit 99.1 to this Annual Report on Form 40-F (the "**Lightspeed 2025 AIF**"), under the heading "Forward-Looking Information" and Lightspeed's management's discussion and analysis for the year ended March 31, 2025, attached as Exhibit 99.2 to this Annual Report on Form 40-F (the "**Lightspeed 2025 MD&A**"), under the heading "Forward-looking information", for a discussion of forward-looking statements.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its consolidated financial statements, which are filed as Exhibit 99.3 to this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"), and which are not comparable to financial statements of United States companies.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

A. ***Evaluation of disclosure controls and procedures***. Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports filed with the Commission are recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company's management to ensure timely decisions regarding required disclosure. Management regularly reviews disclosure controls and procedures; however, they cannot provide an absolute level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud. The Chief Executive Officer ("**CEO**") and the Chief Financial Officer (" **CFO**"), along with management, have evaluated and concluded that the Company's disclosure controls and procedures as at March 31, 2025 were effective.

B. ***Management's annual report on internal control over financial reporting***. Management of the Company, under the supervision of the CEO and the CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management, including the CEO and CFO, have assessed the effectiveness of the Company's internal control over financial reporting in accordance with Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). Based on this assessment, management, including the CEO and CFO, have determined that the Company's internal control over financial reporting was effective as at March 31, 2025. See "Management's Annual Report on Internal Control Over Financial Reporting", which accompanies Lightspeed's audited consolidated financial statements as at March 31, 2025 and 2024 and for the years then ended (the "**Lightspeed 2025 Financial Statements**"), filed as Exhibit 99.3 to this Annual Report on Form 40-F.

C. ***Attestation report of the independent registered public accounting firm***. The effectiveness of the Company's internal control over financial reporting as at March 31, 2025 has been audited by PricewaterhouseCoopers LLP (PCAOB ID No. 271), an independent registered public accounting firm, as stated in their report, which accompanies the Lightspeed 2025 Financial Statements, and is incorporated herein by reference.

D. ***Changes in internal control over financial reporting***. The CEO and the CFO have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its internal controls over financial reporting during the period ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting. No such changes were identified through their evaluation.

E. ***Limitations of controls and procedures.*** Management, including the CEO and CFO, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

NOTICES PURSUANT TO REGULATION BTR

The Company was not required by Rule 104 of Regulation BTR to send any notices to any of its directors or executive officers during the fiscal year ended March 31, 2025.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

Audit Committee

The Company's board of directors (the "**Board**") has a separately designated standing audit committee (the " **Audit Committee**") established in accordance with section 3(a)(58)(A) of the Exchange Act and satisfies the requirements of Exchange Act Rule 10A-3. The Company's Audit Committee is comprised of three directors, all of whom, in the opinion of the Company's Board, are independent (as determined under Rule 10A-3 of the Exchange Act and the rules of the NYSE) and are financially literate. The members of the Audit Committee are identified in the section entitled "Composition of the Audit Committee" in the Lightspeed 2025 AIF, which section is incorporated by reference herein.

Audit Committee Financial Expert

The Company's Board has determined that it has at least one audit committee financial expert serving on its Audit Committee. The Board has determined that Paul McFeeters and Dale Murray are each an audit committee financial expert and independent within the meaning of applicable Commission regulations and the listing standards of the New York Stock Exchange (the "**NYSE**").

The Commission has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose on such person any duties, obligations or liability that are greater than those imposed on such person as a member of the Audit Committee and the Board in the absence of such designation and does not affect the duties, obligations or liability of any other member of the Audit Committee or Board.

CODE OF ETHICS

The Board has adopted a written code of conduct and ethics (the " **Code**"), by which it and all officers and employees of the Company, including the Company's principal executive officer, principal financial officer, principal accounting officer and controller or persons performing similar functions, abide. The Code, as amended, is posted on the Company's website at https://investors.lightspeedhq.com/English/management/governance-documents/default.aspx. Except for the Code, and notwithstanding any reference to the Company's website or other websites in this Annual Report or in the documents incorporated by reference herein or attached as Exhibits hereto, no information contained on the Company's website or any other site shall be incorporated by reference in this Annual Report or in the documents incorporated by reference herein or attached as Exhibits hereto.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers LLP acted as the Company's independent registered public accounting firm for the fiscal years ended March 31, 2025 and 2024. See the section "External Auditor Service Fee" in the Lightspeed 2025 AIF, which section is incorporated by reference herein, for the total amount billed to the Company by PricewaterhouseCoopers LLP for services performed in the last two fiscal years by category of service (for audit fees, audit related fees, tax fees and all other fees).

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

See the section "Audit Committee Pre-Approval Policies and Procedures" in the Lightspeed 2025 AIF, which section is incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

We have no material off-balance sheet arrangements, other than low value and short-term leases, and other purchase obligations (which have been disclosed under "Contractual Obligations" in the Lightspeed 2025 MD&A).

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided under the heading "Contractual Obligations" in the Lightspeed 2025 MD&A is incorporated by reference herein.

CORPORATE GOVERNANCE PRACTICES

The NYSE Listed Company Manual generally requires that a listed company's by-laws provide for a quorum for any meeting of the holders of the company's common shares that is sufficiently high to ensure a representative vote. As a foreign private issuer, we have elected to comply with practices that are permitted under Canadian law in lieu of this NYSE requirement. Our by-laws provide that the holders of at least 25% of the shares entitled to vote at the meeting, present in person or represented by proxy, and at least two persons entitled to vote at the meeting, present in person or represented by proxy, constitutes a quorum.

Except as stated above, we are in compliance with the rules generally applicable to U.S. domestic companies listed on the NYSE. We may in the future decide to use other foreign private issuer exemptions with respect to some of the other NYSE listing requirements. Following our home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on the NYSE, may provide less protection than is accorded to investors under the NYSE listing requirements applicable to U.S. domestic issuers.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

EXHIBIT INDEX

Exhibit Number	Description
97.1	Clawback Policy
99.1	Annual Information Form for the year ended March 31, 2025
99.2	Management's Discussion & Analysis for the year ended March 31, 2025
99.3	Audited Consolidated Financial Statements for the year ended March 31, 2025
99.4	Certification of Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.6	Consent of PricewaterhouseCoopers LLP
101	Interactive Data File (formatted as Inline XBRL)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Exhibits 99.1, 99.2 and 99.3 of this Annual Report on Form 40-F are incorporated by reference into the Registration Statement on Form F-10 of the Registrant, which was originally filed with the Securities and Exchange Commission on May 19, 2023 (File No. 333-272083), the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on September 30, 2020 (File No. 333-249175), and the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on December 4, 2020 (File No. 333-251139) (together, the "**Registration Statements**"). Exhibit 99.6 is incorporated by reference as an exhibit to the Registration Statements.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereto duly authorized.

Lightspeed Commerce Inc.
(Registrant)

Chief Legal Officer

Lightspeed Commerce Inc.

POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

A. OVERVIEW

In accordance with the applicable rules of The New York Stock Exchange Listed Company Manual (the "***NYSE Rules***"), Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") ("***Rule 10D-1***"), the Board of Directors (the "***Board***") of Lightspeed Commerce Inc. (the "***Company***") has adopted this Policy (the "***Policy***") to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section H, below.

B. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

(1) In the event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with NYSE Rules and Rule 10D-1 as follows:

(i) After an Accounting Restatement, the Compensation, Nominating and Governance Committee (or any successor committee thereof) (the "***Committee***") shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable.

(a) For Incentive-based Compensation based on (or derived from) the Company's share price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:

i. The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company's share price or total shareholder return upon which the Incentive-based Compensation was Received; and

ii. The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to the NYSE.

(ii) The Committee shall have discretion to determine the appropriate means and timing of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section B(2) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

(iii) To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be

appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.

(iv) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

(2) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section B(1) above if the Committee determines that recovery would be impracticable *and* any of the following three conditions are met:

(i) The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, documented such attempt(s) and provided such documentation to the NYSE;

(ii) Recovery would violate home country law of the Company where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation and a copy of the opinion is provided to the NYSE; or

(iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

(3) For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Executive Officer for the accounting errors or other actions leading to an Accounting Restatement.

C. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission ("***SEC***") filings and rules.

D. PROHIBITION OF INDEMNIFICATION

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the effective date of this Policy).

Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

E. ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals and, for greater certainty, need not be uniform with respect to any or all persons.

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy and for the Company's compliance with NYSE Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or NYSE promulgated or issued in connection therewith. Subject to any limitation at applicable law or listing standard, the Committee may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery decisions under this Policy).

F. AMENDMENT; TERMINATION

The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. Notwithstanding anything in this Section F to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or NYSE rule.

G. OTHER RECOVERY RIGHTS

This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or NYSE, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy, shall be deemed to incorporate this Policy by reference and, in the event of any inconsistency, this Policy shall govern. Executive Officers at any given time shall be deemed to have accepted continuing employment on terms that include compliance with this Policy, to the extent of its applicable provisions, and to be contractually bound by its enforcement provisions.

Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

H. DEFINITIONS

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(1) "***Accounting Restatement***" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).

(2) "***Clawback Eligible Incentive Compensation***" means all Incentive-based Compensation Received by an Executive Officer (i) on or after the effective date of the applicable NYSE rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange, and (v) during the applicable Clawback Period (as defined below).

(3) "***Clawback Period***" means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

(4) "***Erroneously Awarded Compensation***" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(5) "***Executive Officer***" means current and former executive officers of the Company in accordance with the definitions provided under the Exchange Act and the NYSE rules.

(6) "***Financial Reporting Measures***" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Share price and total shareholder return (and any measures that are derived wholly or in part from share price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. A Financial Reporting Measure does not need to be presented within the Company's financial statements or included in a filing with the SEC in order to be a Financial Reporting Measure.

(7) "***Incentive-based Compensation***" means any compensation (including, for the avoidance of doubt, any cash or equity-based compensation, bonuses and awards, whether deferred or current) that is granted, earned and/or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(8) ***"NYSE***" means the New York Stock Exchange.

(9) "***Received***" means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.

(10) "***Restatement Date***" means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

Revision History

Date	Version	Description	Approver
November 2024	2	Amended Policy effective as of November 5, 2024	Compensation, Nominating and Governance Committee of the Board of Directors
November 2023	1	Newly adopted Policy effective as of October 2, 2023.	Board of Directors



LIGHTSPEED COMMERCE INC.

ANNUAL INFORMATION FORM

Fiscal Year ended March 31, 2025

May 22, 2025

ANNUAL INFORMATION FORM
LIGHTSPEED COMMERCE INC.
TABLE OF CONTENTS

ANNUAL INFORMATION FORM	1
EXPLANATORY NOTES	2
FORWARD-LOOKING INFORMATION	4
CORPORATE STRUCTURE	9
BUSINESS OF LIGHTSPEED	10
GENERAL DEVELOPMENT OF LIGHTSPEED'S BUSINESS	26
RISK FACTORS	31
DIVIDEND POLICY	72
DESCRIPTION OF SHARE CAPITAL	72
MARKET FOR SECURITIES	75
DIRECTORS AND EXECUTIVE OFFICERS	75
AUDIT COMMITTEE	79
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	81
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	82
TRANSFER AGENT AND REGISTRAR	82
MATERIAL CONTRACTS	82
INTERESTS OF EXPERTS	82
ADDITIONAL INFORMATION	83
EXHIBIT A	A-1

EXPLANATORY NOTES

As used in this Annual Information Form ("**AIF**"), unless the context indicates or requires otherwise, all references to the " **Company**", "**Lightspeed**", "**we**", "**us**" or "**our**" refer to Lightspeed Commerce Inc. together with our subsidiaries, on a consolidated basis. Furthermore, as used in this AIF, unless the context indicates or requires otherwise, the following terms have the following meanings:

"**Audit Committee**" means the audit committee of the Board;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**CNG Committee**" means the compensation, nominating and governance committee of the Board;

"**COVID-19 Pandemic**" means the COVID-19 pandemic;

"**Ecwid**" means the Ecwid corporate group;

"**Fiscal 2022**" means the fiscal year ending March 31, 2022;

"**Fiscal 2023**" means the fiscal year ending March 31, 2023;

"**Fiscal 2024**" means the fiscal year ending March 31, 2024;

"**Fiscal 2025**" means the fiscal year ending March 31, 2025;

"**NYSE**" means the New York Stock Exchange;

"**NI 52-109"** means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* , as amended from time to time;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

"**NuORDER**" means Lightspeed NuORDER Inc. (the successor to NuORDER, Inc.);

"**POS**" means point of sale;

"**Risk Committee**" means the risk committee of the Board;

"**SaaS**" means software-as-a-service;

"**SMBs**" means small- and medium-sized businesses;

"**TSX"** means the Toronto Stock Exchange; and

"**Vend**" means Vend Limited.

This AIF is dated May 22, 2025, which is the date it was approved by the board of directors of the Company (the " **Board**"), and, unless specifically stated otherwise, all information disclosed in this AIF is provided as at March 31, 2025, the end of Lightspeed's most recently completed fiscal year.

This AIF should be read in conjunction with the Company's audited annual consolidated financial statements and related notes for Fiscal 2025 and Management's Discussion and Analysis for Fiscal 2025, but which, for greater certainty, are not incorporated by reference herein.

Trademarks

This AIF includes certain trademarks, including "Lightspeed", "Flame Design", "NuORDER" and other trademarks, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks referred to in this AIF may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks.

Presentation of Financial Information and Other Information

We present our audited annual consolidated financial statements in U.S. dollars. All references in this AIF to dollars, "$" or "US$" are to United States dollars and all references to Canadian dollars and "C$" are to Canadian dollars. Amounts are stated in U.S. dollars unless otherwise indicated.

Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key performance indicators are also used to provide investors with supplemental measures 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 industry metrics in the evaluation of issuers. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

Average Revenue Per User. "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 has 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 term of services has 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 (this has changed prospectively as detailed below) 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 and the number of retail Customer Locations in North America and hospitality Customer Locations in Europe served by our platform is an indicator of our success in terms of market penetration and growth of our business. As our POS and eCommerce solutions are packaged as a single omnichannel product, we believe the distinction between physical sites and eCommerce sites has become less meaningful. As such, in respect of periods ending after March 31, 2025, Customer Locations will no longer be calculated to include eCommerce sites and the definition of Customer Locations will be updated as follows: Customer Location means a billing merchant location for which the term of services has not ended, or in respect of 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 term of services has not ended or in respect of which we are negotiating a subscription renewal. A single unique customer can only have multiple Customer Locations if it has multiple physical sites and in the case of NuORDER, multiple subscriptions. Subscription revenue and transaction-based revenue attributable to standalone eCommerce sites is excluded from ARPU.

Gross Payment Volume. "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. Some of our brands can accept certain payments from retailers in certain of our geographies, and we may in the future include such volume in GPV once we have further developed our payments solution for business-to-business volume.

Gross Transaction 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. Some of our brands can accept certain payments from retailers in certain of our geographies, and we may in the future include such volume in GTV once we have further developed our payments solution for business-to-business volume.

See “Key Performance Indicators” from Management’s Discussion and Analysis of Financial Condition and Results of Operations for Fiscal 2025.

Exchange Rate Data

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the periods specified, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by the Bank of Canada for conversion of U.S. dollars into Canadian dollars.

	Fiscal Year Ended March 31,	
	2025	2024
	(C$)	(C$)
Highest rate during the period	1.4603	1.3875
Lowest rate during the period	1.3460	1.3128
Average rate for the period	1.3913	1.3487
Rate at the end of the period	1.4376	1.3550

FORWARD-LOOKING INFORMATION

This AIF 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 inflationary pressures, interest rates and global economic uncertainty; our expectations regarding the costs, timing and impact of reorganizations and cost reduction initiatives and personnel changes; our expectations regarding our growth strategy focused on retail customers in North America and hospitality customers in Europe and our strategies for customers in other geographies and verticals; our expectations regarding capital expenditures and capital allocation strategies; geopolitical instability, terrorism, war and other global conflicts such as the Russian invasion of Ukraine and the Israel-Hamas war; and expectations regarding industry and consumer spending trends, our growth rates, the achievement of advances in and expansion of our platform, our focus on complex, high GTV customers, 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 pricing and packaging initiatives; our gross margins and future profitability, acquisition, investment or divestiture outcomes and synergies, the impact of pending and threatened litigation, the impact of foreign currency fluctuations and the use of hedging on our results of operations, our business plans and strategies and our competitive position in our industry is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”, the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

This forward-looking information and other forward-looking information are 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 as at the date of the forward-looking information. 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. Certain assumptions made in respect of our ability to build our market share, including among high GTV customers; our ability to enter new markets and industry verticals; our ability to attract, develop and retain key personnel; our ability to execute our succession planning; our ability to manage supply chain risk; our ability to manage and maintain integrations between our platform and certain third-party platforms; our ability to execute on our business and operational strategy; our ability to execute on our expansion plans; our ability to execute on reorganizations and cost reduction initiatives; our ability to execute on our growth strategy focused on retail customers in North America and hospitality customers in Europe and our strategies for customers in other geographies and verticals; our ability to continue investing in infrastructure and implement scalable controls, systems and processes to support our growth; our ability to prevent and manage information security breaches or other cybersecurity threats; our ability to protect our intellectual property rights and the risk of claims by third parties of intellectual property infringement; the impact of class actions and other pending and threatened litigation; the impact of any external stakeholder activism; the pricing of our offerings; our ability to successfully execute our pricing and packaging initiatives; our ability to successfully sell our POS and payments solutions as one unified platform to both new and existing customers; our ability to effectively scale and manage risks related to our merchant cash advance program; our ability to selectively pursue strategic opportunities, successfully integrate the companies we have acquired and to derive the benefits we expect from the acquisition thereof; our ability to successfully make future investments in our business through capital expenditures; our ability to successfully execute our capital allocation strategies, including our share repurchase program; our ability to obtain and maintain financing on acceptable terms; currency exchange and interest rates, including inflation; seasonality in our business and in the business of our customers; the impact of intensifying competition; the

changes and trends in our industry or the global economy, including changes in consumer spending; the possibility of further goodwill or other impairments; the impact of uncertainty and changes as a result of elections and changes in administrations in the U.S., Canada and Europe (including the impacts of tariffs, trade wars, or other trade conditions or protective government actions); environmental risks and the impact of certain natural disasters on our business and our customers; and changes in laws, rules, regulations, and global standards are material factors in preparing forward-looking information and management's expectations.

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, is 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 factors identified in our Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended March 31, 2025 and our other 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.sedarplus.com and on EDGAR at www.sec.gov, and the following risk factors described in greater detail under "Risk Factors" of this AIF:

- our growth may not be sustainable and depends on our ability to attract new customers, retain revenue from existing customers and increase sales to both new and existing customers;
- we may not be able to successfully implement our growth strategy, including our transformation plan, on a timely basis or at all;
- we have a history of losses and we may be unable to achieve profitability;
- the markets in which we participate are highly competitive. We may not be able to compete successfully against current and future competitors;
- the impact of worldwide economic conditions such as inflation, tariffs and changes in interest rates, including the resulting effect on the operations of and spending by SMBs and on consumer spending, may adversely affect our business, operating results and financial condition;
- trade wars and changes in international trade law and policies may have a material adverse effect on our business, financial condition and results of operations;
- third-party hardware that we sell to our customers is generally procured from a single supplier or limited number of suppliers. Thus, we are at risk of shortages, price increases, tariffs or protective government actions, changes, delays or discontinuations of hardware, which could disrupt and materially adversely affect our business;
- our business could be harmed if we fail to manage our growth effectively and efficiently;
- if we are unable to hire, retain and motivate qualified personnel, our business will suffer;
- if we fail to improve and enhance the functionality, performance, reliability, design, security and scalability of our platform and innovate and introduce new solutions in a manner that responds to our customers' evolving needs, our business may be adversely affected;
- our growth strategy involves building on our success in payments and financial solutions, which may present risks and challenges that we have not yet experienced;
- our payments solutions subject us to regulatory requirements, payment card network rules, payment card transactions underwriting and other risks that could be costly and difficult to comply with or that could harm our business;
- our risk management efforts in connection with the processing of payments may not be effective, which could expose us to losses and liability and otherwise harm our business;
- we are subject to additional risks relating to our merchant cash advance program including the availability of capital to fund customers, the ability of our customers to generate sales to remit receivables, general macroeconomic conditions, legal and regulatory risks and the risk of fraud;
- our operating results are subject to seasonal fluctuations;

- our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive position may be harmed;
- we rely on a limited number of suppliers to provide part of the technology we offer through Lightspeed Payments and/or other payments offerings;
- our growth depends in part on the success of our strategic relationships with third parties;
- if we fail to maintain a consistently high level of customer service or if we fail to manage our reputation, our brand, business and financial results may be harmed;
- our pricing decisions may fail to generate expected results and may adversely affect our ability to attract new merchants and retain existing merchants;
- security breaches, denial of service attacks, or other hacking and phishing attacks on our systems or other security breaches, including internal security failures, could harm our reputation or subject us to significant liability, and adversely affect our business and financial results;
- system failures, interruptions, delays in service, catastrophic events, inadequate infrastructure and resulting interruptions in the availability or functionality of our platform could harm our reputation or subject us to significant liability, and adversely affect our business and financial results;
- interruptions or other issues in the proper functioning of or upgrades to our information technology systems could cause disruption to our operations;
- we store personal and other information of our partners, our customers and their consumers and our employees. If the security of this information is compromised or is otherwise accessed without authorization, or is perceived to be compromised or accessed without authorization, our reputation may be harmed and we may be exposed to liability and loss of business;
- we may incur additional costs to maintain legitimate means for our transfer and receipt of personal data from European countries, or may be unable to maintain such legitimate means;
- development of AI and its integration to our operations could present risks and challenges to our business;
- our business is susceptible to risks associated with international operations, including international sales, our presence and the use of our platform in various countries;
- our limited operating history in new and developing markets and new geographic regions makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful;
- we have in the past made, and in the future may make, acquisitions, investments and divestitures that could divert management's attention, result in operating difficulties and/or dilution to our shareholders and otherwise disrupt our operations and adversely affect our business, operating results or financial position;
- businesses we acquire may not have disclosure controls and procedures and internal controls over financial reporting, cybersecurity controls and data privacy compliance programs, or their existing controls and programs may be weaker than or otherwise not in conformity with ours;
- our use of "open source" software could negatively affect our ability to sell our solutions and subject us to possible litigation;
- if our software or hardware contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle claims with our customers;
- we may be unable to achieve or maintain data transmission capacity;
- portions of our platform use a single cloud service provider to deliver services. Any disruption of services from our cloud service providers could harm our business;
- we rely on the integration of third-party payment processing solutions;

- we rely on computer hardware, purchased or leased, and software licensed from and services rendered by third parties in order to run our business;
- if we do not maintain the compatibility of our solutions with third-party applications and operating systems that our customers use or the fiscal recording requirements they are required to comply with in their business processes, demand for our solutions could decline;
- our business and prospects would be harmed if changes to technologies used in our platform or new versions or upgrades of operating systems and internet browsers adversely impact the process by which our customers and their consumers interface with our platform;
- mobile devices are increasingly being used to conduct commerce, and if our solutions do not operate as effectively when accessed through these devices, our customers and their consumers may not be satisfied with our services, which could harm our business;
- we may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- we have been, and may in the future be, subject to claims by third parties of intellectual property infringement, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies;
- we are dependent on the continued services and performance of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition;
- from time to time, we are or may become defendants in legal proceedings as to which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment;
- new tax laws could be enacted or existing laws could be applied to us or our customers, which could increase the costs of our solutions and adversely impact our business;
- unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition;
- our future effective tax rates could be subject to volatility or adversely affected by a number of factors;
- from time to time tax authorities seek to assess business taxes, sales and use taxes and other indirect taxes. If we are required to collect such taxes in additional jurisdictions, we might be subject to tax liability for past sales;
- we may not be able to utilize a significant portion of our net operating loss (" **NOL**"), which could adversely affect our potential profitability;
- failure to effectively expand and adapt our go-to-market capabilities could harm our ability to achieve broader market acceptance of our platform;
- we rely on search engines, advertising on the internet and social networking sites to attract a meaningful portion of our customers. If we are not able to generate traffic to our website through search engines, advertising on the Internet and social networking sites, our ability to attract new customers may be impaired. In addition, if our customers are not able to generate traffic to their stores, restaurants and websites through search engines, advertising on the Internet and social networking sites, their ability to attract consumers may be impaired;
- activities of customers or partners or the content of our customers' shops could damage our brand, subject us to liability, and harm our business and financial results;
- we are subject to export and import controls and anti-corruption and economic sanctions laws that could impair our ability to offer our platform internationally or subject us to liability if we are not in compliance with applicable laws;
- our insurance costs have in the past and may in the future increase significantly, we may be unable to obtain the same level of insurance coverage and our insurance coverage may not be adequate to cover all possible losses we may suffer;
- we may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms;
- provisions of our present and future debt instruments may restrict our ability to pursue business strategies;

- exchange rate fluctuations have and may in the future negatively affect our results of operations;
- we are dependent upon customers' and consumers' continued and unimpeded access to the internet, and upon their willingness to use the internet for commerce;
- changes in accounting standards and interpretations, and our adoption thereof, as well as subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition;
- we have suffered losses due to goodwill impairment and may in the future suffer further losses due to impairment charges;
- climate change may have an adverse impact on our business;
- the market price of our subordinate voting shares has been and may continue to be volatile and your investment could suffer or decline in value;
- we do not currently anticipate paying dividends;
- we may not be able to, or may decide not to, repurchase shares pursuant to our capital allocation initiatives at a level anticipated by our shareholders, which could reduce shareholder return*;*
- future sales, or the perception of future sales, of subordinate voting shares by existing shareholders or by us, or future dilutive issuances of subordinate voting shares by us, could adversely affect prevailing market prices for the subordinate voting shares;
- our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts, which could cause our share price to decline;
- securities analysts' research or reports could impact the price of the subordinate voting shares;
- our business could be impacted by market and shareholder reaction to certain corporate developments;
- we incur significant expenses as a result of being a public company;
- as a foreign private issuer, we are subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to our shareholders;
- we may lose foreign private issuer status in the future, which could result in significant additional costs and expenses to us;
- we are required to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or these internal controls may not be effective, which could adversely affect investor confidence in our Company and, as a result, negatively impact the value of our subordinate voting shares;
- our constating documents permit us to issue additional securities in the future, including subordinate voting shares and preferred shares, without additional shareholder approval;
- provisions of our constating documents and certain Canadian legislation could delay a change of control, limit attempts by our shareholders to replace or remove our current senior management and affect the market price of our subordinate voting shares;
- provisions of Canadian law may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets;
- we are governed by the corporate and securities laws of Canada which in some cases have a different effect on shareholders than the corporate laws of Delaware, U.S. and U.S. securities laws;
- as we are a Canadian corporation and certain of our directors and officers reside in Canada or the provinces thereof and the United Kingdom, it may be difficult for United States shareholders to effect service on us to realize on judgments obtained in the United States. Similarly, it may be difficult for Canadian investors to enforce civil liabilities against our directors and officers residing outside of Canada; and

- our by-laws designate certain specified courts as the sole and exclusive forums for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove to be incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates and assumptions referred to above and described in greater detail in “Risk Factors” should be considered carefully by prospective investors.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking information is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this AIF represents our expectations as of the date hereof or as of the date it is otherwise stated to be made, as applicable, and is 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.

All of the forward-looking information contained in this AIF is expressly qualified by the foregoing cautionary statements.

CORPORATE STRUCTURE

Lightspeed was incorporated under the CBCA on March 21, 2005 as Xsilva Systems Inc. We filed articles of amendment on April 20, 2012 to change our name to Lightspeed Retail Inc., on October 22, 2014 to change our name to Lightspeed POS Inc, and on August 6, 2021 to change our name to Lightspeed Commerce Inc.

On December 17, 2008, we filed articles of amendment to split all of our issued and outstanding common shares on a 100,000-to-1 basis. On August 12, 2015, we filed articles of amendment to split all of our issued and outstanding redeemable preferred shares on a 10-to-1 basis. On August 2, 2017, we filed articles of amendment to cancel our class A-1 and class A-2 preferred shares.

Immediately prior to closing of our initial public offering (the “ **IPO**”) on March 15, 2019 (the “**IPO Closing Date**”), we implemented a number of pre-closing capital changes. All of our issued and outstanding redeemable preferred shares were converted into common shares on a one-for-one basis in accordance with their terms. We also filed articles of amendment so as to amend and re-designate our common shares as subordinate voting shares, create a new class of multiple voting shares, repeal the classes of shares relating to our redeemable preferred shares, create a new class of preferred shares, issuable in series and consolidate all of our issued and outstanding shares on a 4-to-1 basis. On March 18, 2019, we also proceeded to file restated articles of incorporation. See “Description of Share Capital” for more information about our current share capital.

Our head and registered office is located at 700 Saint-Antoine Street East, Suite 300, Montréal, Québec, Canada, H2Y 1A6.

The following chart identifies our material subsidiaries (including jurisdiction of formation, incorporation or continuance of the various entities):

Name of Subsidiary	Jurisdiction of Incorporation or Formation	Ownership Percentage (Voting)
Lightspeed Commerce USA Inc.	Delaware	100%
Lightspeed Netherlands B.V.	Netherlands	100%
Lightspeed Payments USA Inc.	Delaware	100%
Upserve, Inc.	Delaware	100%
Vend Limited	New Zealand	100%

BUSINESS OF LIGHTSPEED

Mission

Lightspeed is the unified POS and payments platform empowering the businesses at the heart of communities in over 100 countries. The partner of choice for fueling retail and hospitality ambitions, Lightspeed's technology and insight makes work flow across teams, channels and locations to help accelerate growth and provide the best customer experience.

Our fast, flexible omni-channel technology combines advanced point of sale and ecommerce solutions with embedded payments, inventory management, real-time reporting, staff and supplier management, a wholesale network, financial services and more. With time-saving tools and integrations, performance-boosting insights and personalized support from industry experts, we help businesses focus on what matters—so they can keep staff happy and become the go-to destination in their space.

Overview

Lightspeed offers a cloud-based commerce platform that connects suppliers, merchants and consumers while enabling omni-channel experiences. Our software platform provides our customers with the critical functionality they need to engage with consumers, manage their operations, accept payments, and grow their businesses. We serve customers globally, empowering single- and multi-location retailers, restaurants, golf course operators and other businesses to compete successfully in an omni-channel market environment by engaging with consumers across online, mobile, social, and physical channels. We primarily target sophisticated SMBs with our easy to use and cost efficient solutions. The majority of our revenue is recurring or reoccurring and we have a track-record of growing revenue per customer over time. Our differentiated product offerings have enabled us to develop a competitive position, particularly for retail customers in North America and hospitality customers in Europe.

Our cloud platform is designed around three interrelated elements: omni-channel consumer experience, a comprehensive back-office operations management suite to improve our customers' efficiency and insight, and the facilitation of payments. Key functionalities of our platform include full omni-channel capabilities, POS, product and menu management, kitchen display system ("**KDS**"), employee and inventory management (including ordering), analytics and reporting, multi-location connectivity, order anywhere and curbside pickup functionality, loyalty, customer management and tailored financial solutions such as Lightspeed Payments and Lightspeed Capital. By delivering our solutions through the cloud, we enable merchants to reduce dependency on the brick and mortar channel and interact with customers anywhere (in store, online, mobile and social), gain a deeper understanding of their customers and operations by tracking activity and key metrics across all channels, and update inventory, run analytics, change menus, send promotions and otherwise manage their business operations from any location.

Our flagship solutions include Lightspeed Restaurant, a unified hospitality commerce offering, and Lightspeed Retail, a retail commerce offering that unites advanced POS, payments, and eCommerce into one cohesive and powerful solution. In addition, Lightspeed eCommerce allows merchants to enhance omnichannel reach and increase selling flexibility, including through social media platforms and digital marketplaces. Our flagship solutions are seeing strong reception from customers globally, particularly among retail customers in North America and hospitality customers in Europe. We also continue to advance our strategy of expanding our presence within our key verticals, including with our Lightspeed Retail and Lightspeed NuORDER integration. This brings together brands and retailers as part of a wholesale network that is transforming how retailers and suppliers do wholesale commerce and enhancing how they complete inventory replenishment ordering. We are further focused on expanding our catalog content across both new and existing verticals, streamlining the process for retailers to manage their store data and simplify operational tasks. We believe our continued investment in this strategy represents an opportunity for us to distinguish ourselves from competitors.

Our position at the point of commerce puts us in a prime position for payment processing and allows us to collect transaction-related data insights. We began selling our POS and payments solutions together as one unified offering at the beginning of Fiscal 2024 and have increased our payments penetration as a result. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. We believe processing additional GTV for new and existing customers through our payments solutions helps advance our growth strategies and enables us to reduce complexity in our business. In addition, this initiative helps reduce the costs of supporting a variety of third party payment processors.

Our platform is built to scale with our customers, supporting them as they open new locations, and offering them increasingly sophisticated solutions as their business requirements become more complex. Our platform helps SMBs avoid having to piece together multiple, and often disjointed, applications from various providers to leverage the technology they need to run and grow their businesses. Our ecosystem of development, channel and installation partners further reinforces the scalability of our solutions, making

them customizable and extensible. We work alongside our customers through their business journey by providing onboarding and support services, and fundamentally believe that our success is directly connected to their success.

To further complement our core cloud solutions, we offer a merchant cash advance program called Lightspeed Capital. This program provides cash advances to eligible merchants and is designed to help them with overall business growth and cash management. Merchants use these cash advances to manage their cash flows, to buy inventory, and to invest in marketing, amongst other things.

We sell our solutions primarily through our direct sales force in North America, Europe, the UK, Australia and New Zealand, supplemented by indirect channels in other countries around the world. Our platform is well-suited for various types of SMBs, particularly single- and multi-location retailers with complex operations, such as those with a high product count, diverse inventory needs or a service component, golf course operators and hospitality customers. We intend to focus our efforts primarily on retail customers in North America and hospitality customers in Europe.

We believe we have a distinct leadership position in SMB commerce given our scale, breadth of capabilities, and diversity of customers. We generate revenue primarily from the sale of cloud-based software subscriptions and our payments solutions. We offer pricing plans designed to meet the needs of our current and prospective customers that enable Lightspeed solutions to scale with SMBs as they grow. Our subscription plans vary from monthly plans to one-year and multi-year terms. We have also integrated our software with various third party payment processors who pay us a revenue share of the payment processing revenue for customers we refer to them. These arrangements generally predate the availability of our payments solutions in the various markets we serve, and we expect the revenue from these arrangements to continue to decrease over time as the number of our merchants using our payments solutions continues to increase.

We plan to continue making deliberate investments to drive future growth including in Lightspeed NuORDER. We believe that our future success depends on a number of factors, including our ability to expand our market share among retail customers in North America and hospitality customers in Europe, execute our transformation strategy to focus on growth among retail customers in North America and hospitality customers in Europe, enhance customer experience and avail ourselves of upsell opportunities within our existing customer base, build on the successes of our payments and tailored financial solutions, add more solutions to our platform, expand our presence within verticals, and selectively pursue value-enhancing acquisitions and potential divestitures or other strategic opportunities.

We have undertaken several cost reduction initiatives including reorganizations aimed at streamlining the Company's operating model and aligning the organization with its profitable growth strategy. We will continue to invest in key product development and customer experiences.

We believe that we have significant opportunity to continue to expand ARPU [1] given the number of customers adopting more Lightspeed products over time and that our continued investments will increase our revenue base, improve the retention of this base and strengthen our ability to increase sales to our customers. We have not generated net income to date. If we are unable to successfully implement our growth strategies and cost reduction initiatives, we may not be able to achieve net income.

Seasonality

We believe our transaction-based revenues will continue to represent a significant proportion of our overall revenue mix as a result of customer adoption of our payments solutions, and we expect seasonality of our quarterly results to continue. We expect our overall revenue to continue to be correlated to our GPV. While we have observed seasonality for certain prior quarters, historical patterns in our business have not always been and may not in the future be a reliable indicator for our future performance.

Macroeconomic Conditions

There continues to be uncertainty in the macroeconomic environment, including with respect to inflationary pressures, changes in consumer spending, exchange rate fluctuations, changes in interest rates, the geopolitical and social landscape and changes in trade conditions (including tariffs, trade wars and other protective government actions). This macroeconomic uncertainty makes it difficult to assess the future impact these events and conditions will have on our customer base, the end markets we serve and the resulting effect on our business and operations, both in the short term and in the long term.

Despite these ongoing risks and uncertainties, we continue to believe there is an accelerated need for our solutions in the industries we serve as SMBs look to augment traditional in-person selling models with online and digital strategies, operate with fewer employees to manage labor shortages by automating time-consuming tasks, and find new efficiencies and insights into their business. A large portion of our market is currently served by legacy on-premise systems that are expensive, complicated, outdated, and poorly equipped

[1] Refer to the section entitled "Key Performance Indicators".

to help SMBs adapt to this immediate need. This represents a significant opportunity for us to continue to fuel adoption of our solutions. Lightspeed believes it is well-positioned to capitalize on this opportunity and will continue to leverage its privileged position at the point of sale to also seize our payments opportunity.

Seizing our payments opportunity means continuing to monetize a larger portion of our customers' GTV. We expect changes in consumer spending or other macroeconomic conditions in the various geographies in which we operate to continue to cause variability in our GTV and GPV; however, we believe the diversity in the customer verticals and the geographies we serve will continue to be a strong asset of the business.

Additionally, the Israel-Hamas war and the Russian invasion of Ukraine have created and are expected to continue to create further global economic uncertainty. We do not have any significant operations, customers or supplier relationships in the Middle East, Russia, Belarus or Ukraine, and have ceased our selling activities to customers in Russia. We do have personnel in Russia who were brought on via our acquisition of Ecwid, and as part of our business continuity plans have relocated many outside of Russia to mitigate any reliance on the region. We will continue to monitor these situations, and related evolving sanctions and export controls, and have and may continue to adjust our business practices as required by applicable rules and regulations.

We continue to monitor the impact of macroeconomic events and conditions on our business, financial condition and operations, as further discussed below. Refer to the section of this Annual Information Form entitled "Risk Factors" and to our other filings with Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, all of which can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov, for a discussion about the risks with which we are faced.

Competitive Strengths

Comprehensive solution

Our platform enables SMBs to run many core aspects of their operations and sell across multiple channels, all using a single platform. We provide our customers a hub of end-to-end capabilities, including full POS capabilities, full eCommerce capabilities, payment processing, inventory management, employee management, menu management, KDS, tools to manage home delivery and pick-up options, online bookings and membership management capabilities, multi-location connectivity, customer management, loyalty, analytics and reporting, peer benchmarking and trends, and tailored financial solutions. Retailers and hospitality businesses are able to tailor our services by selecting the features that best meet their needs and eliminate inefficiencies associated with maintaining a patchwork of loosely-connected niche applications. Our integration between Lightspeed Retail and Lightspeed NuORDER provides customers with greater supplier access and inventory visibility, automates manual ordering, consolidates supplier portals into the POS, streamlines omni-channel operations by making it easy to import product details and photos into the POS, and ensures use of supplier approved brand names and images. We maintain a robust ecosystem of third-party integrations, apps and themes that allow our customers to enhance both their online and offline businesses. We and our development partners leverage each other's application program interface ("**APIs**") to connect our respective solutions, thereby extending the breadth of our platform even further through integrations with accounting software solutions and property management platforms, as well as niche applications across a variety of verticals and use cases. Our payments solutions further enhance our offering, providing our customers with full visibility into the final step of their sales process. Eligible merchants can also leverage Lightspeed Capital, our merchant cash advance program, to receive cash advances designed to help them with overall business growth and cash management. We believe offering a comprehensive solution that allows retail and hospitality businesses to do more with less is essential in the face of challenging macroeconomic conditions, including high inflation rates, tariffs and trade wars, staff shortages, changes in consumer spending and overall economic uncertainty. We believe our solutions are particularly well suited for retailers in North America and restaurateurs in Europe.

Simplified user experience

We make complexity simple for our customers at every stage of their development, fro m initial onboarding through to expansion. We provide our solutions through an intuitive, easy-to-use interface that requires minimal training to operate. Our customer support teams are available to our customers around the clock to handle any customer inquiries. We enable customers to manage their businesses on the go by offering cloud-based access to sales, customer and inventory information from anywhere. Customers can generally access data on our platform through any operating system or device. This affords owners and employees more time to spend on what matters most to them: interacting with consumers, selling products and growing their businesses. For retailers, bringing a mobile tablet onto the sales floor gives staff faster access to product information and allows for on-the-spot checkout and shorter line-ups. For restaurants, offering tableside ordering and KDS helps shorten wait times and decrease the chances of order mistakes. Lightspeed Restaurant, our flagship hospitality product, works offline as well as online, so that if a customer's internet goes down they can keep operating offline. In Fiscal 2025, we expanded work offline capabilities to Lightspeed Retail merchants as well to enable them to continue to run business as usual even during outage situations.

Enabler of business growth

We provide our customers with the latest innovations and technologies required to compete successfully and grow their businesses. For physical retailers looking to sell online, our eCommerce solution, Lightspeed eCommerce, integrates directly into their POS system. For hospitality businesses, Lightspeed Delivery provides simplified management of food and beverage delivery and Order Anywhere allows our restaurateurs to transition their businesses online and integrate new revenue streams. Our KDS expands our offering into the restaurant's kitchen and enables restaurants to reduce their use of paper while providing real time order updates to one or many kitchen stations. We provide a retail business intelligence analytics tool with built-in and customizable reports that help retailers identify opportunities to improve their business. For hospitality customers, Lightspeed Advanced Insights leverages our payments solutions to capture data from every transaction and deliver actionable insights, including menu intelligence to allow restaurateurs to determine which menu items are driving sales and returning consumers, as well as server analytics which connects menu performance with server performance to enable customers to monitor and improve individual server performance. Lightspeed's recently-launched Benchmarks & Trends uses machine learning to give restaurateurs actionable insights based on trends among local competitors and contextualizes the restaurant's performance in their specific market.

Scalable platform

We have built, and leveraged our acquisitions to create, a highly scalable platform that can grow alongside our customers. Our solutions are customizable and we have integrated best-in-class features of our acquisitions into our flagship solutions for our target industries, ensuring that an SMB can select the appropriate features and functionalities for its stage of development. When adding a new location, retailers can transfer inventory, get a clear sales overview of the entire business, create a single purchase order for all locations, and access complete purchase history from one central place. We have the ability to handle significant spikes in traffic and consumer activity patterns – for example, around meaningful promotional events such as Black Friday and Cyber Monday. Lightspeed Restaurant, when using Order Anywhere, enables restaurateurs to throttle orders to help manage demand spikes. Given the high scalability and robustness of our platform, we have the ability to serve our customers effectively irrespective of how significantly they grow their businesses. Further, we believe our solutions are ideally suited for customers with complex needs (such as those with high product count, diverse inventory needs or a service component) and high annual GTV.

Differentiated approach to market

While our platform is well-suited for various types of SMBs, we have primarily focused our attention to date on selling to complex, single- and multi-location retailers, restaurants and golf course operators. Further, we believe our solutions have the best product market fit among retailers in North America and restaurateurs in Europe. This targeted approach has allowed us to develop proprietary knowledge of our customers and their industries, and tailor our solutions to address their unique and complex needs. For example, we understand the issues facing a retailer that manages a sophisticated inventory system across multiple locations and channels, or the challenges that arise for restaurateurs with a menu and staff that turns over multiple times daily. Furthermore, challenging macroeconomic conditions, including inflationary pressures, tariffs and trade wars, changes in consumer spending, staff shortages and the COVID-19 Pandemic, among other things, have required SMBs to leverage technology to automate and do more with less to offer the same exceptional experiences to their consumers. Our differentiated approach to market and specialized offerings are significant reasons why we have cultivated a broad and loyal customer base. We believe that this focused and tailored approach allows us to help our clients run nearly every aspect of their operations, notwithstanding challenging macroeconomic conditions, and is a reason our customers choose our solutions over those of our competitors. We serve many high-priority verticals across our retail customers in North America, including apparel & footwear, home & garden, sports & leisure, vape & smoke, jewelry & watches, wine & liquor, health & beauty and pets. With respect to the restaurateurs in Europe that we serve, we are particularly focused on restaurateurs in Germany, United Kingdom, France, Belgium, Netherlands and Switzerland.

Growth Strategies

We strive to grow our business using a variety of levers. Key elements of our growth strategy include the following:

- ***Expand Customer Location Footprint Within Growth Engines and Ideal Customer Profile.*** We believe that there is significant potential to increase penetration of our total addressable market, attract new customers and further drive our market away from legacy systems toward cloud-based solutions and omni-channel strategies. Our attention continues to be focused on serving complex SMBs, particularly high GTV customers, to which our solutions are particularly well-suited. Further, we are executing a transformation plan to focus on growth among retail customers in North America and hospitality customers in Europe (customers where we believe we have the best product market fit and a right-to-win). We will focus on optimizing in our other areas for efficiency, with an aim to drive profitability for the whole business.

  Through the COVID-19 Pandemic, we saw immediate and transformational benefits to our market position. Further, challenging macroeconomic conditions in recent years, including high inflation rates, staff shortages, changes in consumer

spending, tariffs and trade wars, and overall economic uncertainty, have made it essential for many of our customers to leverage technology to do more with less. We seek to attract new customers by leveraging our brand awareness and continuously innovating our product offerings, particularly in response to changing regulations and consumer behaviours. We are focused on enhancing our go-to-market strategy with targeted outbound efforts, verticalized sales and marketing, field sales and local marketing expansion. We plan to continue investing in strategies tailored to attract new businesses to our platform, particularly among retailers in North America and restaurateurs in Europe. We also may selectively evaluate opportunities to offer our solutions to businesses operating in industry verticals and geographies that we do not currently target.

- ***Build on Successes in Payments and Financial Solutions.*** We continue to see adoption of our payment processing solutions, which is one of the largest drivers of growth for the Company, in particular as a result of our initiative to sell our POS and payments solutions together as one unified offering. We also continue to expand the availability of our payments solutions within our customer base. Offering unified payments functionality is highly complementary to the platform we offer our customers today and allows us to monetize a greater portion of the GTV processed on our platform annually. For SMBs, this service further reduces complexity by integrating seamlessly into our existing platform, eliminating the need to deal with a separate payments provider and the related data reconciliation, and allowing for more accurate management of their businesses and easier access to additional Lightspeed products, such as Lightspeed Advanced Insights. Lightspeed Capital is designed to help eligible merchants with overall business growth, buy inventory, invest in marketing, or manage cash flows by providing cash advances. We began selling our POS and payments solutions together as one unified offering at the beginning of Fiscal 2024 and have increased our payments penetration as a result. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified software and payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. We believe processing additional GTV for new and existing customers through our payments solutions helps advance our growth strategies and enables us to reduce complexity in our business. In addition, this initiative helps reduce the costs of supporting a variety of third party payment processors.

- ***Accelerate ARPU Expansion by Introducing New Modules and Pricing Changes.*** Given our platforms' extensive suite of modules, our customers can add additional functionalities to their initial line-up of Lightspeed products as their needs evolve. We view this as an important part of growing our ARPU (particularly our subscription ARPU) and driving further value to our customers, which we believe in turn will improve retention rates. We believe that we have significant opportunity to continue to expand ARPU and the number of customers adopting more Lightspeed products over time and that our continued investments will increase our revenue base, improve the retention of this base and strengthen our ability to increase sales to our customers. Further, we believe that, having unified our software and payments offerings, our customers will derive even more value from our platform which can lead to additional ARPU expansion. For example, hospitality customers who adopt our payments solutions can also benefit from Lightspeed Advanced Insights, which captures data from transactions and delivers valuable insights on sales and performance trends. Our retail customers that adopt Retail Insights can leverage historical and real time data to forecast demand which factors in stock-outs, and create purchase orders ahead of demand.

  Our eCommerce platform has historically seen strong adoption with many of our retail customers electing to use Lightspeed eCommerce to power their online selling. We believe our existing customers can leverage our eCommerce solution to enhance their omnichannel reach and increase their selling flexibility.

  We plan to add more solutions and modules to our platform, which will allow us to deepen our relationships with existing customers and attract new ones. Since our founding, we have successfully added innovative capabilities for payments, eCommerce, home delivery, analytics, Benchmarks & Trends, loyalty, wholesale networks and tailored financial solutions. Through our transformation strategy we plan to prioritize product and technology investments in key growth areas, such as enhancing inventory management, forecasting and supplier integration for retail customers in North America, while optimizing operations, guest experience and analytics for hospitality customers in Europe.

  We design and update our pricing plans to meet the needs of our current and prospective customers. Offering different service and pricing levels allows SMBs of all sizes to scale without leaving our platform. As a customer upgrades to our higher-priced plans, they receive more powerful solutions and enhanced customer support opportunities.

- ***Expand Our Presence Within Target Verticals and Geographies.*** Our success is directly linked to the success of our customers. We provide our customers with the tools to successfully grow their businesses which in turn benefits our platform growth. We stand to benefit from their growth as they generate more transaction volume, add new locations, upgrade their plans and use more of our solutions. By becoming embedded within the ecosystem of individual verticals, we can create more value for our customers. We serve many high-priority verticals across our retail customers in North America, including

apparel & footwear, home & garden, sports & leisure, vape & smoke, jewelry & watches, wine & liquor, health & beauty and pets . We continue to advance our strategy of expanding our presence within these verticals, including with our Lightspeed Retail and Lightspeed NuORDER Integration for Lightspeed retailers, enabling them to order from the many brands they stock through direct integration with NuORDER by Lightspeed, with data flowing into their POS. Going deep into these verticals also creates opportunities for us to monetize our data up and down the supply chain. With respect to the restaurateurs in Europe that we serve we are particularly focused on restaurateurs in Germany, United Kingdom, France, Belgium, Netherlands and Switzerland. We have begun scaling field sales teams and local marketing to support growing lead volume in these key geographies.

- ***Value-Enhancing Acquisitions and Strategic Opportunities.*** We have complemented our organic growth strategies with a selective approach to acquisitions, identifying possible acquisition opportunities to increase our market penetration in new and existing markets, entering new verticals and accelerating our product roadmap more effectively than we could have achieved organically. We believe that our market position allows us to navigate the fragmented competitive landscape to be opportunistic in pursuing acquisitions and strategic opportunities that most effectively help us achieve these objectives, particularly with respect to accelerating our product roadmap.

  After our initial public offering on the TSX, we made several acquisitions that expanded our geographic footprint and built scale for our business. We have also completed acquisitions to advance our platform, strengthen our technology and help us deliver on our goal of winning in our core verticals and geographies. Our acquisitions coupled with our organic growth have created opportunities for us to leverage our increased scale to derive better economics from our payment partners and other vendors that we utilize to deliver our solutions, as well as broaden our brand awareness.

  As our commerce ecosystem scales, the value proposition that we offer to merchants, suppliers and consumers will be reinforced and enhanced. For merchants, ecosystem growth helps drive incremental operational efficiencies, consolidate more business processes into a single touchpoint, and take advantage of deeper insights and analytics. Suppliers will benefit from greater access to transaction-related data, a larger and more qualified customer base and a single touchpoint to manage more of their merchant relationships. For consumers, we help further enrich the commerce experience by providing a more seamless omni-channel shopping experience, greater context and personalization, and increased convenience. Our ability to facilitate these ecosystem synergies strengthens our value proposition to our customers and helps solidify our position in the market.

- ***Strategic Allocation of our Capital.*** Through our transformation strategy we plan to prioritize go-to-market and product and technology investments for retail customers in North America and hospitality customers in Europe. We will focus on optimizing in our other areas for efficiency, with an aim to drive profitability for the whole business. This approach is designed to help maximize growth and increase our competitive differentiation.

Value Proposition for the Entire Ecosystem

We are committed to driving value across the commerce ecosystem. To do so, we are building a platform that we believe will create value for merchants, suppliers and consumers. Our long-term vision of the value that this commerce platform will deliver is as follows:

For Merchants:

- a complete commerce platform;
- direct integration with suppliers for catalogue and inventory replenishment;
- the ability to connect with consumers in-store, online, on social media and on Lightspeed and/or third party marketplaces;
- insights, benchmarks & trends, artificial intelligence, data analytics and recommendation engines to generate extra revenue and margin;
- technology to automate and do more with less to offer the same exceptional experiences to their consumers while managing costs in the face of challenging macroeconomic conditions; and
- financial solutions to accept payments and access capital.

For Suppliers:

- digitized and streamlined process that enables ordering and payments capabilities connected to the merchant's POS;

- additional revenue opportunities through brand and product discovery capabilities and automated reordering;
- data insights on trends to optimize manufacturing and distribution; and
- opportunity for merchants to become distributors in the network.

For Consumers:

- a tailored and customized shopping experience both in store and online;
- the ability to discover, locate and buy from unique local merchants and restaurants;
- the convenience and quality of service consistent with big brands and eCommerce marketplaces;
- seamless and easy to use payment processing experiences; and
- the opportunity to give back to the community and promote small businesses.

We are creating localized networks to succeed in a number of our target retail verticals, including apparel & footwear, home & garden, sports & leisure, vape & smoke, jewelry & watches, wine & liquor, health & beauty and pets, and target hospitality geographies, including Germany, United Kingdom, France, Belgium, Netherlands and Switzerland.

Our Solutions

Our fast, flexible omni-channel SaaS technology equips our customers with the critical functionality they need to engage with consumers online and offline, manage their operations, accept payments, leverage actionable insights from transactions, connect to suppliers and grow their businesses. Our customers can use a computer, tablet or mobile device to access front-office, back-office, and payments operational dashboards, enabling them to effectively manage their businesses. Our flagship solutions include Lightspeed Restaurant and Lightspeed Retail, both of which unite advanced point of sale and ecommerce solutions with embedded payments, inventory management, advanced insights, real-time reporting, staff and supplier management, financial services and more.

Our Flagship Products

- **Retail**. Lightspeed Retail unites advanced POS, payments and eCommerce solutions into one cohesive and powerful solution. Leveraging the power of headless commerce, complex multi-store inventory management, powerful integrations, and an intuitive interface, Lightspeed Retail helps business owners elevate their strategy while managing the complex challenges of the evolving retail landscape. In addition, Lightspeed eCommerce allows merchants to enhance omnichannel reach and increase selling flexibility, including through social media platforms and digital marketplaces. By simplifying and unifying omni-channel operations, Lightspeed Retail merchants can reduce the time spent on reconciling payments, managing inventory, orders, and product details, as well as elevate the shopping experience with a suite of new features like instant payouts, handheld inventory management and pay at table devices. In Fiscal 2025, we announced the launch of Retail Insights, a data-driven solution allowing retailers to use historical and real time data to forecast demand which factors in stock-outs and create purchase orders ahead of demand.

  In Fiscal 2022, we acquired NuORDER, a transformative digital platform connecting brands and retailers. This acquisition established Lightspeed as a global distribution network for leading brands, accelerating our wholesale network offering (now branded as "Lightspeed NuORDER") to simplify product ordering for retailers and offer suppliers critical insights. We continue to advance our strategy of expanding our presence within our key verticals with our Lightspeed Retail and NuORDER Integration for Lightspeed retailers, enabling them to order from the many brands they stock through direct integration with NuORDER by Lightspeed, with data flowing into their POS. We are further focused on expanding our catalog content across both new and existing verticals, streamlining the process for retailers to manage their store data and simplify operational tasks. In April 2025, we announced the enhancement of PO Sync to allow retailers to place order replenishments within Lightspeed's POS platform and send to their suppliers in one click. PO Sync also allows merchants with Retail Insights to use their data-driven order forecasts and recommendations and send these directly to suppliers on NuORDER by Lightspeed, not only cutting down work but also ensuring replenishments are made based on insight, helping retailers reduce stockouts, minimize overstock and optimize how much inventory they hold at one time. We believe our continued investment in Lightspeed NuORDER represents an opportunity for us to distinguish our solutions from those of our competitors.

- **Hospitality**. Lightspeed Restaurant brings together an innovative POS, contactless payments, online ordering, advanced inventory, and advanced insights to create a powerful hospitality solution for running a smarter, more efficient restaurant. Powered by our payments solutions, Lightspeed Advanced Insights captures data from every transaction to deliver actionable insights, including menu intelligence to allow restaurateurs to determine which menu items are driving sales and returning consumers, as well as server analytics which connects menu performance with server performance to enable customers to monitor and improve individual server performance. In Fiscal 2024, we announced the launch of Lightspeed Tableside, a compact, portable, and flexible POS and payment processing device which evidences our commitment to providing restaurant owners with a seamless order-taking experience. Through Lightspeed Restaurant, restaurant owners, chefs and managers receive a daily email detailing everything they need to know before doors open, and a shift prep email detailing reservations, VIP guests and notes for the service ahead. Additional key merchant resources include comprehensive integrated inventory, easy-to-use-and-learn work flows for staff and shifts, intuitive staff performance tools, and contactless ordering and payments through Order Anywhere, which enables restaurateurs to upload their menus and sell their products on our online ordering platform without commission fees or hidden charges. In Fiscal 2025, we launched Benchmarks & Trends which uses machine learning to give restaurateurs actionable insights based on trends among peers. In addition, we introduced our KDS offering to facilitate the seamless flow of orders between front-of-house and back-of-house to foster better communication and coordination and reduce errors.

Front-End Customer Experience Solutions

- *Point of Sale.* Accessible from a mobile device or computer, our POS platforms are designed to enable merchants to create, manage and receive customer orders, sell their good and services and collect and manage cash and payment transactions.
- *Omni-Channel Engagement.* Our retail platform enables retailers to create a fully-localized and secure online store that is an extension of the products and inventory they offer in-store. Retailers can choose from a collection of responsive themes offered in our theme store, or use the built-in editor to customize their site, including adding additional pages or a built-in blog. Customers can use our channel integrations such as Facebook and Google to drive traffic to their site. Lightspeed eCommerce empowers retailers to sell directly on social media, online marketplaces, and search engines. Our Order Anywhere solution for our restaurant users allows our restaurateurs to transition their businesses online and integrate new revenue streams.
- *Home Delivery.* Hospitality customers can reach consumers by easily integrating to many of the market-leading home delivery platforms and manage these orders in a single system. In addition, with Order Anywhere, we provide a cost-efficient online ordering management system designed to facilitate takeout, enabling restaurants to provide customers with a completely contactless dining experience. Curbside Pick-Up enables our retailers' consumers to shop curbside for convenience and flexibility.
- *Order Management.* Lightspeed Restaurant enables consumers to place orders directly from a mobile tablet or tableside device in a restaurant. Orders are then automatically sent to the kitchen for processing. Our KDS allows orders to be sent to a mobile tablet or display screen in the restaurant kitchen for immediate processing. Restaurants are also able to accept and manage takeout and delivery orders. Consumers can make orders in person, on the phone, or from several integrated online ordering services. Through Order Anywhere, consumers can browse our customers' menu, order, and pay all by simply scanning a QR code, providing a secure, contactless dining experience.
- *Discounts, Price Rules and Gift Cards.* Customers are able to offer discounts at the POS, as well as sell and manage gift cards. Our retail customers can set price rules, while restaurant customers can configure when, and to whom, discounts are offered. We also offer our customers a notifications feature which allows cashiers to upsell goods or services by leveraging then-current promotions.
- *Lightspeed Marketing and Loyalty.* Lightspeed enables retailers and restaurants to offer a marketing and loyalty program allowing consumers to accumulate points through retailer or restaurant purchases and redeem points when they visit the retailer or restaurant.
- *Hardware.* We also offer a suite of sleek third-party hardware products to complement our software solutions for both our retail and hospitality customers, such as our customer facing display, stands, barcode scanners, receipt printers, cash drawers, payment terminals, KDS and an assortment of other accessories.

Back-End Operations Management Solutions

- *Product and Menu Management.* Retailers can add and manage the products they sell, including updating descriptions, categories and images. This can be in a single click by leveraging our AI powered Smart Items tool. Restaurants can configure their menus, by adding products, organizing them into categories and creating combo products.

- *Inventory Management*. Our inventory management system allows retailers and restaurateurs to keep track of the available inventory, create and receive orders from vendors and track costs, and transfer inventory between multiple stores. Our automatic inventory feature in particular provides real-time tracking as inventory or menu items are sold, offering real time product lookup and automatic inventory replenishment. In addition, Lightspeed Restaurant's recipe costing feature allows customers to calculate and understand costs and margins for any menu item by tracking every ingredient and any price fluctuations.
- *Wholesale Network*. Lightspeed NuORDER connects SMB and enterprise retailer buying workflows with brand wholesale selling workflows. We continue to advance our strategy of expanding our presence within our key verticals with our Lightspeed Retail and Lightspeed NuORDER Integration for Lightspeed retailers, enabling them to order from the many brands they stock through direct integration with NuORDER by Lightspeed, with data flowing into their POS. We are further focused on expanding our catalog content across both new and existing verticals, streamlining the process for retailers to manage their store data and simplify operational tasks. In April 2025, we announced the launch of PO Sync to allow retailers to place order replenishments within Lightspeed's POS platform and send to their suppliers in one click. PO Sync also allows merchants with Retail Insights to use their data-driven order forecasts and recommendations and send these directly to suppliers on Lightspeed NuORDER, not only cutting down work but also ensuring replenishments are made based on insight, helping retailers reduce stockouts, minimize overstock and optimize how much inventory they hold at one time. Lightspeed NuORDER offers Virtual Showroom technology, visual assortment and merchandising tools, payments and data integration for businesses of all sizes.
- *Bookings and Membership Management*. Golf course operators can book reservations online, manage tee-time schedules and administer membership billing.
- *Customer Management*. Our customers can keep track of consumer information and sales history, which enables them to individually customize the consumer experience.
- *Employee Management.* With the support of partner apps we integrate, our customers can seamlessly coordinate and schedule employees to help enable a high-performing work environment. We also offer a highly flexible access controls and permission management feature,
- *Accounting.* Our platform helps enable retailers and restaurants to automatically sync and reconcile their sales, payments and tax data from multiple locations with accounting software from a variety of leading accounting platforms.
- *Floor and Table Management.* Restaurants can create floor plans to organize their tables into groups. Fine dining establishments can organize floors to reflect the actual layout of their restaurant, while quick-service establishments can organize for ease of use. Through our partnership with OpenTable, our customers can increase table turnover and improve the overall customer experience, all integrated within the Lightspeed platform.
- *Complex Workflows.* Many of our features are equipped to handle advanced workflows that are common for established physical location businesses. These include putting products on layaway and adding a deposit, special orders of products from a vendor, credit accounts for customers, managing physical inventory counts, tracking orders and transfer requests across multiple retail locations.
- *Reporting and Analytics.* Retailers can view real-time reports on sales, inventory, payments, customers, employee performance and many other aspects of their businesses. Our restaurant platform allows owners to view real-time reports on revenue, tips, payments, employees, and other facets of their business. Additionally, we provide a retail business intelligence analytics tool with built-in and customizable reports that help retailers identify opportunities to improve their business. Powered by our payments solutions, Lightspeed Advanced Insights captures data from every transaction to deliver actionable insights, including menu intelligence to allow restaurateurs to determine which menu items are driving sales and returning consumers, as well as server analytics which connects menu performance with server performance to enable customers to monitor and improve individual server performance. In Fiscal 2025, we announced the launch of Retail Insights, a data-driven solution allowing retailers to use historical and real time data to forecast demand which factors in stock-outs and create purchase orders ahead of demand.
- *Real-Time Dashboard*. Our real-time dashboard equips SMBs with data-driven insights into the performance of their business, including sales for the ongoing period compared to historical periods, and an overview of back-of-house operations.
- *Benchmarks & Trends*. In Fiscal 2025, we launched Benchmarks & Trends which uses machine learning to give restaurateurs actionable insights based on trends among local competitors.
- *APIs.* We and our development partners leverage each other's APIs to connect our respective solutions, thereby extending the breadth of our platform even further through integrations with accounting software solutions and property management platforms, as well as niche applications across a variety of verticals and use cases.

Payments and Financing Solutions

- *Lightspeed Payments.* Our unified POS and payments solution allows our customers to accept electronic payments in-store, through connected terminals, curbside and online. Our customers can manage their payments directly in the Lightspeed back-office, giving them a single view of their cash flow to their bank account. Our payments processing solutions capture data from every transaction to deliver actionable insights to our customers, such as through our Advanced Insights and Retail Insights solutions. Through our partnerships we support digital wallet to deliver a frictionless shopping experience for consumers. We also support localized payment methods in the different countries in which our customers operate. Eligible customers in select markets can now also access instant payouts, which settles payment to the merchant from a given sales transaction within 30 minutes, even on weekends and holidays. This innovation is designed to allow businesses to cover expenses faster and keep operations running smoothly.
- *Integrated Payment Gateways.* Although we are now selling our POS and payments solution together as one unified offering, we still permit customers to connect to several payments partners in the United States, Canada, Europe, the United Kingdom and Australia if they are ineligible for our unified payments offering, if we cannot match or beat their current payment processing rates, if they pay us a third party payments processing fee or in certain other instances specific to the customer's circumstances.
- *Lightspeed Capital*. To further complement our core cloud solutions, we offer a merchant cash advance program called Lightspeed Capital. This program provides cash advances to eligible merchants and is designed to help them with overall business growth and cash management. Merchants use these cash advances to manage their cash flows, to buy inventory, and to invest in marketing, amongst other things.

The Lightspeed Customer Journey

Highly Efficient Customer Acquisition, Sales and Distribution

We are increasingly diversifying our acquisition strategy for new customers. Historically, we have primarily leveraged our expertise in using marketing techniques to drive inbound interest to our solutions and a virtual sales team to qualify and finalize contracts with our customers. In Fiscal 2025, as part of our transformation strategy we have begun to enhance our go-to-market strategy with more targeted outbound efforts, field sales, and local marketing expansion. This includes the use of verticalized sales and marketing execution to help maximize efficiency and win customers, including deepening supplier integration in our target verticals. For hospitality customers in Europe, we have begun scaling field sales teams and local marketing to support growing lead volume.

Our inbound go-to-market approach begins with marketing outreach, targeting potential customers via online channels (paid and organic search, social media, video and content marketing) and offline channels (trade shows and local events) throughout their entire journey on the path to purchase. Based on user data and actions, we are able to ascertain with a high degree of certainty the stage of the marketing funnel into which a prospect should be grouped and we deliver targeted advertising, informative content and tools relevant to that particular stage of the purchase journey in an effort to push them further down the funnel. Once a potential customer engages with our marketing channels, our team of in-house sales development representatives qualify the opportunity by exploring the needs of the prospective customer to validate that our products are well-suited to their needs and to ensure appropriate budget exists, amongst other criteria. Only appropriately-qualified leads are then passed on to our account executive teams to quote, configure and conclude a commercial contract.

Our outbound go-to-market approach involves proactively targeting and acquiring leads and utilizing verticalized sales and marketing pods to drive brand awareness within target verticals. As part of our transformation strategy we are shifting from paid advertising to more targeted outbound efforts, as we believe this facilitates acquiring our ideal customer profile in our growth engines focused on retail customers in North America and hospitality customers in Europe. With respect to hospitality customers in Europe, we believe our experience in the region, our localized product focus on complex restaurants and our growing field sales team that is focused on winning customers in high-density restaurant hubs will help support growth in our key geographies.

In addition to these methods we also use our existing customer base and third-party referrers as advocates for our brand. These customers and third parties may earn incentives, including commissions, for referring other businesses who become Lightspeed customers. We also partner with industry leaders and influencers who are very active in our target markets or key consumer verticals to drive lead generation. We plan to leverage our wholesale network to provide valuable sell-through data to suppliers, which in turn can help to drive greater inbound interest for our solutions through supplier referrals.

Onboarding a customer is often done virtually for many new customers; indicative of the ease of use of our platform. Customers receive an onboarding session that is completed in hours, and allows them to be transactional quickly. We also provide in person installation for certain customers, particularly with respect to hospitality customers in Europe acquired via our field sales personnel. After our brief onboarding period, our team of account managers, customer success managers and business consultants engage the

customer to ensure that the customer is maximizing its use of our solutions, often resulting in further upselling opportunities for us. With respect to our existing customers outside of retail customers in North America and hospitality customers in Europe, we are particularly focused on customer experience and further upselling opportunities.

Our pricing model is designed to make it easy for customers to quickly get started with our products. We offer affordable, simple to understand packages from less than $100 per month per Customer Location, to over $1,000 per month per Customer Location depending on customer size and complexity (excluding NuORDER by Lightspeed whose customer base consists of larger customers as compared to our SMBs). Our additional modules such as Lightspeed eCommerce, Lightspeed Analytics, Lightspeed Advanced Insights, Benchmarks & Trends, Retail Insights, Lightspeed Loyalty, Lightspeed Accounting, Lightspeed Order Anywhere and Lightspeed Delivery may come with an additional monthly charge per Customer Location and are sold by our account executive team, our account management team after the initial sale, or in certain cases purchased by customers via self-service options. Lightspeed Payments is designed to be transparent and easy to understand, unlike the models charged by many of the legacy payment processors, and we price our solution at market competitive rates based on a percentage of GTV electronically processed through our platform. We began selling our POS and payments solutions together as one unified offering at the beginning of Fiscal 2024. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. We believe processing additional GTV for new and existing customers through our payments solutions helps advance our growth strategies and enables us to reduce complexity in our business. In addition, this initiative helps reduce the costs of supporting a variety of third party payment processors.

We offer pricing plans designed to meet the needs of our current and prospective customers that enable Lightspeed solutions to scale with our customers as they grow. Our subscription plans vary from monthly plans to one-year and multi-year terms. In most markets we serve, we price our products in the local currency of our customers. While this has and may continue to subject us to the impact of foreign currency fluctuations, we believe this makes us more competitive in those local markets. The majority of our sales and marketing efforts are accomplished in-house.

We are focused on selling our flagship products in certain key verticals, verticals in which we have the strongest product-market fit, as we believe these core offerings reduce complexity, help improve go-to-market momentum and help deliver stronger performance.

We believe the breadth of our capabilities and simplicity of our platform and applications helps to create a customer adoption flywheel effect around our solutions and dynamic cross-selling. Our platform also collects, manages and analyzes significant amounts of commerce data, which operators use to run their businesses more efficiently and surface deeper insights. We believe this strengthens our value proposition and encourages them to unlock greater value from our platform by purchasing upgraded plans and additional solutions. As the number of businesses using our platform grows, we gain greater visibility into the markets in which we operate through the transaction-related data we collect, such as product sell-through data. In certain markets, we are able to leverage the data to derive incremental value for our customers and their suppliers, thereby strengthening our position as a commerce operating systems provider of choice in those markets and helping drive greater inbound interest for our solutions through supplier referrals.

Strong Partner Network

Our customer acquisition strategy also involves channel partners in certain geographies and industry verticals. Lightspeed's network of certified local channel partners focuses on in-person interactions with customers as an extension of the internal Lightspeed sales and support teams. These partners are trained and certified on our platform and provide us with a local presence in a variety of markets. Our channel partners typically earn a percentage of the monthly revenue from the customers they bring on board. These percentages vary based on the volumes and breadth of services provided by those partners. In addition, some of our value-add channel partners enable us to access industry verticals outside of traditional retail and hospitality or new geographies and continue to be an important part of our partner network.

Competition

Our market is large, evolving and comprised of both legacy on-premise point of sale systems and cloud-based solutions. The market is highly-fragmented on the legacy side, and consolidating on the cloud-based side. It is competitive and has low barriers to entry. Our competitors range from large, well-established vendors to smaller, earlier-stage ones. We notably compete with traditional and cloud-based POS software and terminal providers, payment processors, peer-to-peer payment providers, and business software providers such as those that provide eCommerce, wholesale networks, inventory management, analytics, and appointment solutions. We expect competition to continue intensifying in the foreseeable future, particularly as industry consolidation occurs and as large, well-established vendors increasingly service more complex SMBs and brands. We believe some of the principal competitive factors in our market are:

- quality of onboarding and customer experience;
- simplicity and ease of use;
- ability to offer cost-effective, subscription-based and payments solutions;
- ability to run in a cloud-based environment;
- availability of strong third-party partner networks;
- vision for commerce and product strategy;
- ability to offer tailored financial solutions and data services;
- breadth and depth of functionality, including omni-channel and headless commerce capabilities;
- accuracy and timeliness of reporting, including real-time data;
- access to a wholesale network, creating sell-through data visibility and better control of distribution for the benefit of suppliers;
- capabilities to support local market requirements such as language, compliance, including with fiscal regulations, and consumer behaviour;
- pace of innovation;
- security and reliability, including minimizing the occurrence and duration of outages; and
- ability to support customers' growth and scalability.

We seek to differentiate ourselves from competitors primarily on the basis of providing SMBs with a hub of easy-to-use, end-to-end capabilities and comprehensive post-sale support. We are also investing in Lightspeed NuORDER to directly connect retailers to suppliers to simplify product ordering and discovery for retailers directly within the POS and offer suppliers critical insights into how their products move. On the other hand, some legacy competitors offer payments and POS services that have features that are not tailored to particular verticals, business types or seller needs, and many competitors, especially larger ones, have offerings with comprehensive features and integrations that we believe are inaccessible to SMBs and brands due to their complexity, high cost and the resources required to implement them. We remain focused on attracting the right customer profile, particularly customers with a higher GTV and more complex needs, customers which we believe are ideally suited for our solutions. Further, we believe our solutions have the best product market fit in particular among retailers in North America and restaurateurs in Europe.

Some customers may choose to do business with different vendors that offer, without limitation, one or more of the following:

- POS software;
- payment processing;
- employee, inventory or ingredient management software;
- eCommerce software;
- B2B eCommerce solutions or wholesale networks;
- restaurant management software;
- loyalty solutions;
- analytics and advanced reporting;
- peer benchmarking solutions;
- multi-location connectivity;
- tailored financial solutions, including merchant cash advances; and
- customer marketing services.

We expect the markets for these solutions and services to evolve and overlap, which we expect will increase competition in our industry.

Sustainability

Sustainability is embedded in our guiding principles, and we are working towards a sustainable future and a greener economy. As part of this commitment, we have taken steps to help our customers reduce their carbon footprint. We partner with GiftTrees on a Carbon

Friendly Dining program. The partnership gives our customers' diners the ability to offset the carbon emissions associated with their purchase by planting trees and provides our customers with sustainable credits towards purchasing Lightspeed products. The program has resulted in the planting of over 2 million trees. In addition to helping offset carbon emissions, these trees provide food, income and education for the communities sponsored to plant the trees. We also partner with TravelPerk to offset carbon emissions for our business travel by airplane, automobile, and train. We choose to partner with companies that are also environmentally conscientious. Most of our solutions are powered by Amazon Web Services ("AWS") and Google Cloud platforms. In 2023, Google Cloud and AWS matched 100% of their annual electricity consumption with renewable energy purchases. We launched an Employee-led Network focused on sustainability, through which employees can foster awareness, advocate for impactful change, and consider eco-friendly solutions that can be integrated into our operations and community interactions.

Lightspeed is also a place of diversity, equity and inclusion, and it has been since our Chief Executive Officer Dax Dasilva founded the Company in Montreal's Gay Village in 2005. The first four Lightspeed team members were all from the LGBTQ2S+ community and according to our latest 2024 DEI engagement survey (participation is voluntary), 11% of the respondents identify themselves as LGBTQ2S+, with 1% identifying as transgender and another 2% as an "other" gender identity. Our commitment to a diverse and inclusive workplace can be seen at all levels of our Company, including our Employee-led Networks for women, LGBTQ2S+ community members and BIPOC community members. As of the date hereof, 40% of the independent members on our board of directors are women. Furthermore, 33% of our executive officers are women. We believe in creating value across our ecosystem, including by ensuring meaningful wealth creation opportunities for all employees. Permanent employees are granted an equity stake in the Company upon hire, ensuring employees' interests are aligned with those of our shareholders.

Culture and Employees

At Lightspeed, we pride ourselves on our culture and employees. We are a company infused with culture, just as much as code. Our values are what unite us, but our differences are what inspire us. We strive to do the best work of our lives together, and we celebrate our successes every chance we get.

Our values and leadership principles focus on perseverance and relentlessly driving towards results while retaining our high standards of excellence, all within an environment that fosters positivity, trust, mutual respect, accountability and individual ownership. We value ongoing learning and invest in annual virtual summits for our teams. We also offer employees leadership development programs as well as access to self-directed learning programs to supplement their formal learning experiences and take courses at any time based on individual interests and goals. We encourage our team members to be just as invested in their communities as they are in Lightspeed by providing them with annual volunteer days. In addition, we have implemented a flexible paid time off program for our employees in North America, United Kingdom, Australia and New Zealand, which program removes maximum caps allocated to volunteer days, vacation days, sick days and personal days, and provides our employees more control and flexibility over their careers.

We are committed to building a more inclusive, flexible workplace that meets the diverse needs of our employees. For that, we have created the Lightspeed PX (People Experience) program. Through our Lightspeed PX (People Experience) program, we offer a variety of flexible, location-based working models to enable our employees to do their best work from their choice of a variety of locations around the globe on a temporary basis. While we strongly believe in the power of in-person collaboration through an in-office working model, we also utilize fully remote and hybrid working models to provide employees with flexibility that matches the demands of their lives outside of work.

We have a strong history of positive feedback from employees on the inclusive nature of our culture, including through anonymous surveys we conduct each year. Based on the results of an anonymous survey conducted in September 2024 and responded to by approximately 90% of employees worldwide, 86% of employees feel that Lightspeed values diversity, 85% of employees feel respected at Lightspeed and 83% feel comfortable sharing their personal experiences at Lightspeed. Further, 87% of employees reported that they felt they could be their authentic self at work.

As of March 31, 2025, we had approximately 3,000 employees and contractors worldwide. None of our employees are represented by a labor organization or are party to a collective bargaining arrangement, other than our French employees who are by default covered by the collective bargaining agreement negotiated by the Syntec Federation for engineering, software and consulting companies and our Belgian employees who are by default covered by the collective bargaining agreements negotiated by the Joint Committee No. 200. We consider our relationship with our employees to be excellent and this is a hallmark of our company. Our employees often say that working at Lightspeed gives them the opportunity to collaborate with the best talent, and this is highly valued. We care for and respect our employees and they, in turn, respect and are dedicated to Lightspeed.

As of March 31, 2025, the following chart presents the diversity on our Board and senior management, as well as the percentage of the Board and senior management comprised of persons from each such designated group.

Director and Management Diversity Matrix	
Country of Principal Executive Offices	Canada
Foreign Private Issuer	Yes
Disclosure Prohibited under Home Country Law	No
Total Number of Directors	7

Part I: Gender Identity

	Female		Male		Non-Binary		Did not Disclose Gender	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Board	3	42.9%[1]	4	57.1%	0	0%	0	0%
Senior Management	3	42.9%	4	57.1%	0	0%	0	0%

Part II: Demographic Background

	LGBTQ2S+		Visible Minorities		Aboriginal peoples		Persons with disabilities		Did not Disclose Demographic Background	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Board	1	14.3%	1	14.3%	0	0%	0	0%	0	0%
Senior Management	1	14.3%	3	42.9%	0	0%	0	0%	0	0%

1) The board of directors has committed to a target of at least 37.5% of women in its membership.

According to our latest 2024 DEI engagement survey (participation is voluntary), 11% of the respondents identify themselves as LGBTQ2S+, with 1% identifying as transgender and another 2% as an "other" gender identity.

In exceptional circumstances, due to the competitive landscape in which we operate and our need for highly specialized skillsets that may not be readily available locally, Lightspeed may recruit foreign nationals requiring visas to work in the countries in which they work or offshore employees. In such circumstances, Lightspeed may engage specialized counsel to assist in obtaining such visas. We have elaborated procedures and practices to accommodate for such circumstances while complying with applicable laws. As of March 31, 2025, approximately 9.08% of Lightspeed employees hold a temporary residence authorization or otherwise require a visa to work in the country in which they are employed, none of which are located offshore from their entity of employment.

Facilities

We are headquartered in Montréal, Canada. We do not own any real property. We believe that our current facilities are adequate to meet our current needs and we expect to continue to leverage fully remote and hybrid working models while promoting in-person collaboration.

Intellectual Property

Our intellectual property and proprietary rights are important to our business. In accordance with industry practice, we protect our proprietary products, technology and our competitive advantage through a combination of contractual provisions and trade secret, patents, copyright and trademark laws in Canada, the United States, the U.K., Europe, Asia-Pacific and other jurisdictions in which we conduct our business. Over time, we have assembled and continue to assemble a portfolio of patents, trademarks, service marks, copyrights, domain names and trade secrets covering our products and services. We also have confidentiality agreements, assignment agreements and license agreements with employees, contractors and third parties, which limit access to and use of our intellectual property.

We are subject to risks related to our intellectual property. For more information, see “Risk Factors – Risks Related to our Business and Industry”.

Government Regulation

We are subject to a number of federal, state, provincial and foreign laws and regulations that affect companies in B2B and B2C industries. While we monitor changes in these laws and regulations, many are still evolving and it is possible that current or future

laws or regulations could be interpreted or applied in a manner that would prohibit, alter, or impair our existing or planned products and services. For more information, see “Risk Factors – Risks Related to our Business and Industry”.

Regulations Applicable to eCommerce

We are subject to laws, regulations and policies that govern the amount and type of taxes our customers are required to collect and remit. Federal, state, provincial and foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. In addition, in many jurisdictions, laws relating to the liability of providers of online services for activities of their customers and other third parties continue to be tested by a number of claims, including actions based on defamation, invasion of privacy and other torts, unfair competition, unfair, deceptive and abusive practices, copyright and trademark infringement, and other theories based on the nature of the relevant content. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances applicable to solutions provided over the internet could therefore be enacted at any time, possibly with retroactive effect. We may also be subject to federal, state, provincial and other taxes if a tax authority asserts that our activities or the activities of our subsidiaries are sufficient to establish nexus, or sales and use tax or other indirect tax if any such tax authority asserts that distribution of our solutions over the internet is subject to sales and use or other indirect taxes. Many jurisdictions have enacted tax legislation (typically referred to as "Marketplace Facilitator" laws) that enable tax authorities to shift the sales tax collection and remittance obligations from a third-party seller to the company that provides the online platform to the third-party seller making the sale. If any of our products fall within the scope of such legislation, we may be subject to sales tax collection and remittance obligations. We are monitoring the developments in each relevant jurisdiction, the full impact of which remains uncertain. For more information, see “Risk Factors – Risks Related to our Business and Industry”.

Regulations Concerning Payment Processing and Financial Services Products

We are currently subject to certain payment card network operating rules, as well as a variety of laws and regulations in the United States, Canada and elsewhere related to payments processing, including those governing cross-border and domestic money transmission, gift cards and other prepaid access instruments, electronic funds transfers, taxation reporting requirements, contract disclosure requirements, foreign exchange, privacy and data protection and banking. In Canada, certain aspects of our business may now be subject to certain elements of the Retail Payment Activities Act which is overseen by the Bank of Canada. We are also subject to various anti-corruption, economic sanctions, export control and anti-money laundering laws, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and its regulations, the Foreign Corrupt Practices Act (U.S.), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA Patriot Act, the U.K. Bribery Act 2010 and Proceeds of Crime Act 2002, the Anti-Money Laundering and Counter Financing of Terrorism Act 2009 (New Zealand), the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Australia), economic sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control, export controls administered by the Department of Commerce's Bureau of Industry and Security, and other anti-bribery and anti-money laundering laws, economic sanctions and export control laws in countries in which we conduct activities. Concern about the use of payment processing services for illegal conduct, such as money laundering or to support terrorist activities, may result in legislation or other governmental action that could require changes to our platform. Depending on how our payments solutions, our merchant cash advance offerings and our other customer solutions evolve, and as we expand into new geographies, we expect to become subject to additional laws in Canada, the United States, Europe, Asia-Pacific and elsewhere.

We are subject to laws prohibiting unfair, deceptive or anti-competitive trade practices enforced by various regulatory agencies, including, in the U.S., the FTC and U.S. state attorneys general, in Canada, the Competition Bureau, in Europe, the European Commission, and in the United Kingdom, the Competition and Markets Authority. These agencies and regulators may take actions that affect the activities of us or our partners, and in some cases may subject us to investigations, fees, fines and disgorgement of funds or enforcement actions if we are deemed to have aided and abetted or otherwise facilitated illegal or improper activities.

Regulations Governing Cybersecurity and the Protection of Data and Privacy

Our customers can use our platform to collect, store and use personal or identifying information regarding their employees and consumers. In addition, we store personal information and other confidential information of our partners, customers and their consumers and employees, and also store credit card information in certain cases for certain customers. Accordingly, we are subject to federal, state, provincial and foreign laws regarding cybersecurity and the protection of data and privacy, including the Personal Information Protection and Electronic Documents Act (Canada), the California Consumer Privacy Act, as amended, Quebec's Law 25, the United Kingdom General Data Protection Regulation, and the European General Data Protection Regulation (“**GDPR**”). Further, the privacy and data protection laws in some jurisdictions require companies to notify governmental authorities and/or individuals of certain security breaches, such as those involving certain types of personal data or those giving rise to a significant risk of harm to an individual. Our agreements with certain customers require us to notify them in the event of a security incident. Additionally, we are required, based on contracts with certain customers and the privacy and data protection laws in some jurisdictions, to use industry-standard or reasonable measures to safeguard personal or confidential information. We post on our website or otherwise make

available to customers our privacy policy, data processing agreement, and terms of service, which describe the way we process customer data and data relating to their employees and consumers. These documents set out Lightspeed's commitment to processing personal data in a responsible manner and in compliance with applicable data protection legislation.

We operate in an industry that is a target of cyberattacks. In order to continually assess its technology platform in light of new legal and regulatory developments, Lightspeed has appointed dedicated resources to design and oversee its cybersecurity, privacy and data protection policies and procedures. Our Security and Privacy teams are experienced and certified practitioners. Lightspeed employees complete privacy and security training at least annually and phishing campaigns are conducted at least twice yearly. Lightspeed has implemented a wide range of measures to protect data from unauthorized access, accidental loss or destruction. For instance, Lightspeed hosts its product infrastructure with multi-tenant, outsourced infrastructure providers. The physical and environmental security controls of its infrastructure providers are audited for SOC 2 Type II, ISO 27001 and PCI DSS compliance, among other certifications. In addition, Lightspeed has network access control mechanisms designed to prevent network traffic using unauthorized protocols from reaching its product infrastructure. The technical measures implemented may differ between infrastructure providers and include virtual private cloud implementations, security access controls, and traditional firewall rules and multi-factor authentication on administrative consoles. Our production networks are protected by endpoint detection and response and other security controls. We have designed our infrastructure to log extensive information about system behaviour, traffic received, system authentication, and other application requests. This information is then aggregated and correlated in our security information and event management system. We monitor open source and subscription-based threat intelligence services to stay abreast of the latest security threats and developments. Third party assessments, including SOC 2 Type II and PCI, attest to our governance and practices. The Risk Committee of our Board has oversight of the Company's enterprise risk management practices, including with respect to cybersecurity. To facilitate identifying principal cybersecurity risks and mitigation initiatives, the Risk Committee receives presentations from management at least quarterly assessing the Company's enterprise risk management program including updates with respect to cybersecurity.

Lightspeed personnel, including security, operations, and support personnel, are responsive to detected incidents. We have implemented an incident management program to define the procedures we follow to mitigate the effect of and rapidly respond to security incidents and unplanned interruptions in service. We rely on internal teams and third-party automated services to continually monitor service interruptions and notify the incident response team of any issues. Aside from our Security and Privacy teams, our incident response include members of executive management, the legal department, the product leadership team, support and customer success. Incidents are categorized by severity, helping to ensure the appropriate resources are involved in the response. Internal and external communications are made as appropriate. An internal post-mortem must be held after any incident and a record of each incident is kept, including relevant metrics and artifacts. Further, we hold incident tabletop exercises regularly to test and strengthen our processes.
The regulatory framework in Canada, the United States, Europe, Asia-Pacific and many other jurisdictions in respect of cybersecurity and data protection and privacy is constantly evolving and is likely to remain uncertain for the foreseeable future. For example, some jurisdictions have enacted laws requiring companies to notify individuals and authorities of data security breaches involving certain types of personal or other data and our agreements with certain customers and partners require us to notify them in the event of a security incident. See the risk factor entitled "*Security breaches, denial of service attacks, or other hacking and phishing attacks on our systems or other security breaches, including internal security failures, could harm our reputation or subject us to significant liability, and adversely affect our business and financial results*" for further information**.** As our business continues to expand, and as laws and regulations continue to be passed and their interpretations continue to evolve in numerous jurisdictions, additional laws and regulations may become relevant to us. Certain aspects of the interpretation and application of such laws and regulations are also ambiguous. We are subject to risks relating to protection of data and privacy. For more information, see "Risk Factors – Risks Related to our Business and Industry".

AI and Machine Learning Regulation

Several US states have introduced or enacted legislation that is designed to govern the development or use of AI. Other states and countries have or are considering applicable legislation, and the EU Artificial Intelligence Act, which aims to introduce a common regulatory and legal framework for EU Member States, came into effect on August 1, 2024. Our ability to use and offer AI and machine learning solutions may be constrained by current or future laws, regulatory or self-regulatory requirements. The rapid evolution of AI, including potential additional government regulation of AI and its various uses, may require significant resources for us to implement compliant and ethical AI practices.

Communications Regulation

We send or enable the sending of emails and other communications in a variety of contexts, including when providing digital receipts and in our marketing efforts. Communications laws and regulations, including those promulgated by the Canadian Radio-television and Telecommunications Commission and Federal Communications Commission, apply to certain aspects of this activity in Canada,

the United States and elsewhere. We are scaling our outbound motion, including with respect to hospitality customers in Europe, and may accordingly be subject to relevant provisions of the GDPR and related regulations.

Fiscal Regulation

In a number of jurisdictions, POS systems must comply with applicable fiscalization laws and regulations designed to prevent fraud and alteration of records, including *Certification and VAT fraud prevention laws* (France), the *Cash Register Anti-Tampering Ordinance* (Germany), *laws relating to the certification of cash register systems in the hospitality sector* (Belgium), the *Cash Register Security Ordinance* (Austria), the *Cash Register System Act* (Norway) and the *Bookkeeping Act* (Norway). Such rules and regulations may require the automated storage or reporting of (inalterable) transaction data and they may require storing transaction data at a specific location. Local tax authorities may require merchants to use certified POS software and/or submit transaction reports on a regular basis or otherwise upon request. Jurisdictions for which we have adapted our platform for compliance with fiscalization laws and regulations include Austria, Belgium, France, Germany, Italy, Norway and Quebec, Canada.

Sanctions and Export and Import Control Regulations

As a result of our international operations, we are subject to a number of Canadian, U.S. and foreign laws and regulations relating to economic sanctions and to export and import controls which govern or restrict our business and activities in certain countries or regions and with certain persons, including sanctions regulations administered or enforced by the Office of the Superintendent of Financial Institutions in Canada, the economic sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, economic sanctions regulations administered by the Office of Financial Sanctions Implementation in the U.K., and the export control laws administered by the U.S. Commerce Department's Bureau of Industry and Security, the U.S. State Department's Directorate of Defense Trade Controls, and the Canadian Export and Import Controls Bureau. We are also subject to export and import controls administered by the United Kingdom, the European Union and other jurisdictions where we have business operations. International developments outside of our control, such as the invasion of Ukraine by Russia and related events, have resulted in international sanctions and restrictions and may continue to lead to economic sanctions, export controls and other restrictions that impede or prohibit doing business with certain parties or in certain regions.

Additional Developments

Legislators and regulators in the jurisdictions in which we operate continue to examine a wide variety of issues that could impact our business, including direct and indirect tax, products liability, import and export compliance, accessibility, insurance, marketing, privacy, data protection, information security, artificial intelligence, and labor and employment matters. As our business continues to develop and expand, additional rules and regulations may become relevant.

GENERAL DEVELOPMENT OF LIGHTSPEED'S BUSINESS

Below is a summary of key general developments of our business over the last three completed financial years. As of March 31, 2025, Lightspeed operated in a single operating and reportable segment.

Three-Year Business Development History

Fiscal 2023

On May 5, 2022, we announced the launch of our flagship retail solution, Lightspeed Retail, in North America, Australia, New Zealand, Singapore, Hong Kong, the UK and South Africa. Lightspeed Retail unites advanced POS, payments, and eCommerce solutions into one cohesive and powerful solution. Leveraging the power of headless commerce, complex multi-store inventory management, powerful integrations, and a completely reimagined interface, Lightspeed Retail helps business owners elevate their strategy while managing the complex challenges of the evolving retail landscape.

On June 2, 2022, we announced the initial launch of Lightspeed B2B (now branded as Lightspeed NuORDER) to three key North American verticals: fashion, outdoor and sporting goods.

On July 6, 2022, we announced the release of our inaugural Sustainability Report and environmental, social and governance highlights for Fiscal 2022[2].

[2] Information contained in, or otherwise accessed through, Lightspeed's Sustainability Report is not deemed part of this Annual Information Form and such Sustainability Report and information is not incorporated by reference herein.

On July 13, 2022, we announced the launch of Lightspeed Payments for Golf, further advancing on Lightspeed's commitment to bring unified payments to its customers globally across products and industries.

On September 6, 2022, we announced the initial launch of Lightspeed Restaurant in Australia to help power Australia's restaurant revival.

On October 3, 2022, we announced the expansion of Lightspeed Restaurant to include Lightspeed Advanced Insights. Powered by our payments solutions, Lightspeed Advanced Insights captures data from every transaction to deliver actionable insights, including menu intelligence to allow restaurateurs to determine which menu items are driving sales and returning consumers, as well as server analytics which connects menu performance with server performance to enable customers to monitor and improve individual server performance.

On October 4, 2022, we announced that Lightspeed appointed Ryan Tabone, a former Google executive with a track record of tackling large-scale technology challenges and empowering product and technology teams, as Lightspeed's Chief Product and Technology Officer. Mr. Tabone departed the Company in April 2024.

On October 21, 2022, we announced the promotion of Jean-David Saint-Martin from the role of Chief Revenue and Customer Officer to the role of President, having responsibility for the strategic direction and performance for all of Lightspeed's verticals.

On November 15, 2022, we hosted our Capital Markets Day at our headquarters in Montreal, where our senior management team provided an update on Lightspeed's products, markets, customer profiles and plans for the future.

On November 16, 2022, we announced that Lightspeed was honored as an Enterprise Fast 15 award winner as part of the 2022 Deloitte Technology Fast 50 program, which recognizes fast- enterprise-level technology, media and telecommunications companies by revenue-growth percentage over their last four years of operation.

On December 6, 2022, we announced that Lightspeed appointed Kady Srinivasan, a former Klaviyo and Dropbox executive with vast experience scaling up SaaS companies, expanding businesses and launching innovative cloud-based software solutions, as its Chief Marketing Officer. Ms. Srinivasan departed the Company in November 2024.

On January 17, 2023, we announced a reorganization to streamline the Company's operating model while continuing to focus on profitable growth. The new structure included the reduction of approximately 300 roles.

Fiscal 2024

In May 2023, pursuant to "well-known seasoned issuer" blanket orders of the Canadian Securities Administrators, we filed a new short form base shelf prospectus (the "**Base Prospectus**") with the securities commissions in each of the provinces and territories of Canada and a corresponding shelf registration statement on Form F-10 with the U.S. Securities and Exchange Commission (the "**Registration Statement**"). The Base Prospectus and the Registration Statement allows Lightspeed and certain of its security holders to offer subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, in amounts, at prices and on terms to be set forth in one or more shelf prospectus supplements during the 25-month period that the Base Prospectus is effective.

On May 26, 2023, we announced the launch of various new features on Lightspeed Retail, including our B2B Catalogue, a transformative integration that gives bike retailers access to supplier inventory data to help streamline product management.

On May 26, 2023, we announced the launch of our Unified Payments offering on Lightspeed Retail, a seamless POS and payments product that captures valuable data, helps reduce fraud and errors through supporting hardware and boosts efficiency by simplifying bookkeeping and onboarding.

On June 20, 2023, we announced the general availability of Lightspeed Capital for Lightspeed merchants in the United Kingdom, Australia, New Zealand and Quebec.

On July 11, 2023, we announced the release of our second annual Sustainability Report and environmental, social and governance highlights for Fiscal 2023.[3]

[3] Information contained in, or otherwise accessed through, Lightspeed's Sustainability Report is not deemed part of this Annual Information Form and such Sustainability Report and information is not incorporated by reference herein.

On August 4, 2023, we announced voting results from its annual and special shareholders' meeting including approval of a resolution of the shareholders to renew our Amended and Restated Omnibus Incentive Plan and approval of all unallocated options, rights and other entitlements thereunder.

On September 26, 2023, we announced that Lightspeed had re-appointed Manon Brouillette to its Board of Directors effective October 1, 2023. Ms. Brouillette has over 20 years of experience as the head of global technology, media and telecommunications companies. Her appointment reinforces Lightspeed's customer-centric vision.

On October 30, 2023, we announced the global rollout of Lightspeed's 'Meet or Beat Promise,' Lightspeed's commitment that, for customers mandated to switch over to Lightspeed's unified payments and POS platform, Lightspeed will meet or beat its customer's existing third party payments processing rates or else permit the customer to continue using Lightspeed software as a standalone product.

On October 31, 2023, we announced the launch of Smart Items on Lightspeed Restaurant, a powerful AI, data and insights powered tool. We further announced the launch of two additional features on our Advanced Insights module on Lightspeed Restaurant. The Magic Menu Quadrant offers merchants insights into popular menu items while various staff performance tools help merchants optimize their front-of-house team's performance.

On November 8, 2023, we announced that Lightspeed was honored as an Enterprise—Industry leaders award winner as part of the 2023 Deloitte Technology Fast 50™ program. The award recognizes the fastest-growing enterprise-level technology, media, and telecommunications companies by revenue-growth percentage over their last four years of operation. We were ranked 8th on the list – up from Lightspeed's 12th spot ranking in 2022.

On January 24, 2024, we announced the launch of Lightspeed Scheduling, a booking management tool released to golf course operators enabling them to serve a broader audience and drive additional revenue by taking bookings for off-course services.

On January 25, 2024, we announced the launch of Lightspeed Tableside, a compact, portable, and flexible POS and payment processing device for restaurants looking to expand their ability to take orders and payments and gain flexibility in service.

On February 15, 2024, we announced the return of Dax Dasilva as interim Chief Executive Officer following the departure of then-CEO Jean Paul Chauvet. Lightspeed further announced that John Shapiro has been promoted to Chief Product and Technology Officer, Additionally, Patrick Pichette, then the company's Lead Independent Director, moved into the role of interim Chair of the Board. On May 16, 2024, we announced that Dax Dasilva had been reappointed as Lightspeed's permanent Chief Executive Officer, removing the interim tag from his title.

Fiscal 2025

On April 3, 2024, we announced a reorganization to streamline our operating model while continuing to focus on profitable growth including a reduction of approximately 280 roles. In addition, our board of directors and the TSX approved a normal-course issuer bid ("**2024 NCIB**") for us to purchase at our discretion for cancellation up to 9,722,677 subordinate voting shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of subordinate voting shares issued and outstanding as at March 22, 2024, over the twelve-month period from April 5, 2024 and ended no later than April 4, 2025. During Fiscal 2025, the Company repurchased and cancelled 9,722,677 subordinate voting shares representing the total authorized amount pursuant to the 2024 NCIB for a total consideration, including transaction costs, of approximately $132.3 million.

On April 30, 2024, we announced new product launches designed to help businesses scale faster and smarter, including margin-based pricing, improved ability to identify inventory stock-outs and enhanced configuration recommendations for modifying menus.

On May 23, 2024, we announced a new North American partnership to directly integrate Uber Direct and Uber Eats marketplace into Lightspeed's platform.

On July 18, 2024, we announced new product innovations, including an enhanced omnichannel loyalty program that blends online and offline loyalty experiences, increased B2B capabilities with NuORDER Assortments, and expanded availability of Tableside and Mobile Selling for restaurateurs.

On July 25, 2024, we announced the release of our third annual Sustainability Report and environmental, social and governance highlights for Fiscal 2024.[4]

[4] Information contained in, or otherwise accessed through, Lightspeed's Sustainability Report is not deemed part of this Annual Information Form and such Sustainability Report and information is not incorporated by reference herein.

On August 2, 2024, we announced the voting results from our annual shareholders' meeting, including the re-election of our proposed directors, re-appointment of our auditor and approved advisory, non-binding resolution on the Company's approach to executive compensation.

On August 14, 2024, we announced the launch of Retail Insights to help our retailers drive increased sales and lower inventory risks. Retail Insights provides retailers with a comprehensive set of data-driven tools to better understand their inventory and sales opportunities, using historical and real time data to forecast demand and create purchase orders ahead of demand.

On September 12, 2024, we announced the launch of Benchmarks & Trends within Lightspeed Restaurant for American restaurateurs. Benchmarks & Trends provides restaurant owners a deeper understanding of their own performance and how they measure up against local competitors. Restaurants can access up to four weeks of historical data and machine learning-driven forecasts, helping anticipate trends and make informed decisions based on personalized benchmarks.

On September 25, 2024, we responded to media reports regarding the Company conducting a strategic review of its business and operations with a view to realizing its full potential.

On October 22, 2024, we announced the release of insight-driven product updates, including offline mode for Lightspeed Retail merchants to run business as usual during outage situations, expanded availability of Instant Payouts and enhanced visual guides for restaurant owners with the new Sales Summary page.

On November 6, 2024, we announced Lightspeed was named as the fifth fastest growing organization in the Enterprise-Industry Leaders category for Deloitte's 2024 Technology Fast 50™ program. The award recognizes the fastest-growing enterprise-level technology, media, and telecommunications companies by revenue growth percentage over their last four years of operation.

On November 18, 2024, we announced the launch of a next generation KDS for our restaurateurs. KDS allows orders from Tableside, Mobile Selling or the POS to flow directly into the kitchen for smooth execution. The system is compatible with a wide variety of hardware, allowing flexibility for restaurants. With advanced coursing functionality, KDS helps kitchens prioritize and efficiently manage courses, ensuring orders are completed on time, even during peak hours.

On December 2, 2024, we announced a strategic reorganization to further optimize the Company's operations toward executing on the Company's profitable growth strategy. The reorganization impacted approximately 200 individuals, and was in line with the Company's transformation strategy to focus on growing where it has the strongest product-market fit and right-to-win, particularly among retail customers in North America and hospitality customers in Europe.

On December 10, 2024, we announced an enhanced integration with Homebase to help Lightspeed Retail customers to streamline employee tracking and management.

On January 14, 2025, we announced new features for retailers via Selling on Lightspeed Scanner, an innovation designed to eliminate the frustration of long lines and interrupted shopping experiences by enabling sales associates to complete purchases where the customer is in store.

On January 23, 2025, we announced new product innovations, including advanced promotions for retailers and wholesalers, a growing product catalog for Lightspeed NuORDER that includes over 1 million new products, expanded access to Instant Payouts for restaurateurs, and mobile, advanced insights for restaurateurs with Lightspeed Pulse.

On February 6, 2025, we announced the results of the Company's strategic review, including the unanimous determination by the Board, a committee of independent directors and executive leadership that executing a full transformation plan as a public company presents the best available path to maximizing value for the Company and its shareholders. Such transformation plan includes focusing on growth among retail customers in North America and hospitality customers in Europe, with the other areas optimized for efficiency. In addition, the Company announced that the Board authorized a share repurchase to return up to $400 million to shareholders, including the execution of the remaining capacity under the 2024 NCIB, in each case subject to market conditions. The Company also announced that it will hold a Capital Markets Day on March 26, 2025.

On March 4, 2025, we announced the United States District Court for the Eastern District of New York has dismissed in full the securities class action lawsuit against the Company and certain of its executives.

On March 6, 2025, we announced the appointment of Manon Brouillette as Executive Chair of our Board, effective April 1, 2025 to coincide with the first day of Lightspeed's new fiscal year. In connection with this appointment, Patrick Pichette will continue to serve as a director on the Board and Dale Murray was appointed as Lead Independent Director of the Board, in each case effective April 1, 2025.

On March 19, 2025, we announced the initial launch of a new AI-driven website building tool, designed to help retail merchants generate web pages from a simple screen grab. This innovative tool lets retailers create custom web elements without coding by using AI to analyze screen captures and generate production-ready code. Merchants simply describe or show Lightspeed's Website Builder what they want using real-world examples, and the tool builds them fully integrated, professional-looking online stores with speed and ease.

On March 26, 2025, Lightspeed outlined its three year strategy at its 2025 Capital Markets Day at the New York Stock Exchange. In addition, the Company announced that the Board and the TSX approved the renewal of the Company's NCIB (the "2025 NCIB") to purchase at its discretion for cancellation up to 9,013,953 subordinate voting shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of subordinate voting shares issued and outstanding as at March 21, 2025, over the twelve-month period commencing on April 5, 2025 and ending no later than April 4, 2026. In connection with the 2025 NCIB, the Company also entered into an automatic share purchase plan ("ASPP") under which a designated broker may purchase subordinate voting shares at times when the Company would ordinarily not be permitted to purchase its subordinate voting shares due to regulatory restrictions and customary self-imposed blackout periods. During April 2025, under the 2025 NCIB and pursuant to the ASPP, we repurchased and cancelled 9,013,953 subordinate voting shares representing the total authorized amount pursuant to the 2025 NCIB for a consideration of $84.4 million.

RISK FACTORS

In addition to all other information set out in this AIF, as well as our Management's Discussion and Analysis for Fiscal 2025 and our audited financial statements and related notes thereto for Fiscal 2025, the following specific factors could materially adversely affect us and/or our business, financial condition and results of operations. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future business, financial condition and results of operations. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations or cash flow. This AIF also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors including the risks described below. See "Forward Looking Information".

Risks Related to Our Business and Industry

Our growth may not be sustainable and depends on our ability to attract new customers, retain revenue from existing customers and increase sales to both new and existing customers.

We generate revenue primarily from the sale of cloud-based software subscriptions and payments solutions. In addition, we offer a variety of hardware and other services to provide value-added support to our customers and supplement our subscription and transaction-based revenue solutions. Subscription revenues are principally realized through the sale of subscriptions to our customers. Our subscription plans vary from monthly plans to one-year and multi-year terms. Our customers generally have no long-term obligation to renew their subscriptions, and the difficulty and costs associated with switching to a competitor may not be significant for many of our customers. As a result there can be no assurance that we will be able to attract new customers or retain existing customers. New customers joining our platform may also decide not to continue or renew their subscription for reasons outside of our control. Our costs associated with subscription renewals are substantially lower than costs associated with generating revenue from new customers or costs associated with generating sales of additional solutions to existing customers. Therefore, if we are unable to retain revenue from existing customers or if we are unable to increase revenues from existing customers, even if such lost revenues are offset by an increase in revenue from new customers or an increase in other revenues, our operating results could be adversely impacted.

We have and may continue to experience customer turnover as a result of our focus on SMBs, which are more susceptible than larger businesses to changes in general economic conditions and other risks affecting their businesses. Many of these SMBs are in the entrepreneurial stage of their development and there is no guarantee that their businesses will succeed. Such customers may be particularly susceptible to uncertainty in the macroeconomic environment, including with respect to inflationary pressures, changes in consumer spending, international trade risks and/or the imposition of trade protection measures (such as the imposition of or an increase in tariffs, import and export licensing and control requirements, or trade wars), global supply chain disruptions and shortages, exchange rate fluctuations, and increases of interest rates.

We continue to pursue growth with larger SMB customers in our retail and hospitality markets (particularly among retail customers in North America and hospitality customers in Europe). These types of customers pose different sales and marketing challenges, require varying product-market fits, and otherwise have different requirements. Larger SMB customers may require higher service levels or have more complex needs than smaller SMBs. We may incur elevated costs, extended onboarding and sales cycles, and decreased predictability in finalizing the sale of products and services to larger SMB customers. If we do not meet the demands and requirements of our larger SMB customers, it could adversely impact our ability to grow.

In Fiscal 2025, we announced that we are executing a transformation plan to focus on growth among retail customers in North America and hospitality customers in Europe (customers where we believe we have the best product market fit and a right-to-win). We will focus on optimizing in our other areas for efficiency, with an aim to drive profitability for the whole business. If we are unable to timely and successfully execute on this strategy our ability to obtain new customers, our ability to retain and upsell existing customers and our operating results could be adversely impacted.

We may also fail to attract new customers, retain revenue from existing customers or increase sales to both new and existing customers as a result of a number of other factors, including:

- reductions in our current or potential customers' spending levels;
- a decrease in consumer spending, including due to a deteriorating macroeconomic environment;
- competitive factors affecting the global market for our services, including the introduction or innovation of competing platforms, discount pricing and other strategies that may be implemented by our competitors;

- global political, economic, social and environmental risks that may impact our operations or our customers' operations and/or decrease consumer spending, including pandemics and other global health crises, natural disasters, acts or threats of war or terrorism and other general security concerns such as the Russian invasion of Ukraine and the Israel-Hamas war;
- our ability to execute on our product roadmap, growth strategy and operating plans;
- our ability to successfully sell our flagship solutions;
- our ability to successfully offer and scale our merchant cash advance program;
- our decision to sell our POS and payments solutions together as one unified offering, thereby requiring a large portion of our new and existing customers to adopt our payments solutions;
- our ability to meet the demands and requirements of larger customers;
- a decline in the market share of SMBs relative to large enterprises;
- a decline in our customers' level of satisfaction with our platform, our pricing, and customers' usage of our platform;
- changes in our relationships with third parties, including our suppliers, app developers, theme designers, referral sources, resellers, payments processors, installation partners and other partners;
- the timeliness and success of new products and services we may offer in the future;
- customer perceptions of business in the context of our growth and in the context of acquisitions or other strategic transactions we complete;
- our ability to expand into new verticals and geographies;
- our ability to scale our outbound go-to-market motions, particularly for retail customers in North America and hospitality customers in Europe;
- our brand recognition;
- concerns relating to actual or perceived privacy or security breaches;
- the frequency and severity of any system outages;
- terminations of relationships with certain customers or partners for unacceptable business practices, contract breaches or because required by law;
- our ability to integrate emerging technologies such as AI into our products;
- technological changes or problems; and
- our focus on long-term value over short-term results, meaning that we may make strategic decisions that may not maximize our short-term revenue or profitability if we believe that the decisions are consistent with our mission and will improve our financial performance over the long-term.

Due to these factors and the continued evolution of our business, our historical revenue growth rate and operating margin may not be indicative of future performance.

Additionally, we anticipate that our growth rate will decline over time to the extent that the number of customers using our platform increases and we achieve higher market penetration rates. As our growth rate declines, investors' perception of our business may be adversely affected and the trading price of our subordinate voting shares could decline as a result. To the extent our growth rate slows, our business performance will become increasingly dependent on our ability to adopt and execute new strategies to obtain new customers and our ability to retain and increase revenue from existing customers.

We may not be able to successfully implement our growth strategy, including our transformation plan, on a timely basis or at all.

Our future growth, profitability and cash flows depend upon our ability to successfully implement our growth strategy, which, in turn, is dependent upon a number of factors, including our ability to:

- expand our Customer Location footprint among complex retailers and restaurateurs with high annual GTV, particularly among retailers in North America and restaurateurs in Europe;
- build on our success in payments and financial solutions, including (i) requiring a large portion of our new and existing customers to adopt our payments solutions as a result of our decision to sell our POS and payments solutions together as one unified offering, and (ii) our customers' adoption and use of our financial solutions such as our merchant cash advance (or similar) offerings;

- accelerate ARPU expansion by introducing new modules and pricing changes;
- expand our presence within target verticals and geographies;
- sell our flagship solutions; and
- selectively pursue and integrate value-enhancing acquisitions and execute other strategic opportunities.

In Fiscal 2025, we announced that we are executing a transformation plan to focus on growth among retail customers in North America and hospitality customers in Europe. We will focus on optimizing in our other areas for efficiency, with an aim to drive profitability for the whole business. As part of this strategy we have begun to enhance our go-to-market strategy with more targeted outbound efforts, field sales, and local marketing expansion. For hospitality customers in Europe, we have begun scaling field sales teams and local marketing to support growing lead volume. In addition, we plan to prioritize product and technology investments in key growth areas, such as enhancing inventory management, forecasting and supplier integration for retail customers in North America, while optimizing operations, guest experience and analytics for hospitality customers in Europe.

There can be no assurance that we can successfully achieve any or all of the above initiatives or otherwise execute on our transformation plan in the manner or time period that we expect. Further, achieving these objectives will require investments which may result in short-term costs without generating any current revenue and therefore may be dilutive to our earnings. We cannot provide any assurance that we will realize, in full or in part, the anticipated benefits we expect our strategy will achieve. The failure to realize those benefits could have a material adverse effect on our business, financial condition and results of operations.

We have a history of losses and we may be unable to achieve profitability.

We incurred net losses of $667 million in Fiscal 2025, $164 million in Fiscal 2024, and $1.07 billion in Fiscal 2023. As at March 31, 2025, we had an accumulated deficit of $2.7 billion. These losses and accumulated deficit are a result of, among other things, the substantial investments we made to grow our business, expenses incurred in connection with our acquisitions and non-cash goodwill impairment charges of $556 million in the fourth quarter of Fiscal 2025 and $749 million in the third quarter of Fiscal 2023. We expect to make significant expenditures to grow our business in the future, including pursuant to our transformation plan. We will continue to carefully monitor the uncertainty in the macroeconomic environment, including with respect to inflationary pressures, changes in consumer spending, exchange rate fluctuations, international trade risks and/or the imposition of trade protection measures (such as the imposition of or an increase in tariffs, import and export licensing and control requirements, or trade wars), global supply chain disruptions and shortages, the geopolitical and social landscape and changes of interest rates.

We plan to make opportunistic and deliberate investments in sales and marketing to attract new businesses to our platform, particularly for our growth engines which focus on retail customers in North America and hospitality customers in Europe. We also plan to increase our investment in research and development as we continue to introduce new products and services to extend the functionality of our platform and innovate in response to changing regulations and consumer behaviours. We also intend to invest in maintaining our high level of customer service and support, which we consider critical for our continued success. We expect to incur additional general and administrative expenses over time as a result of our growth and a competitive market for attracting, retaining and motivating personnel. While our share-based compensation expense for our equity awards decreased in our expenses for Fiscal 2025, such expenses may result in increases in our expenses in future periods, and related payroll taxes on share-based compensation expense may also contribute to such increases. In order to support the continued growth of our business and to comply with continuously changing security and operational requirements, we plan to continue investing in our hosting and network infrastructure. We also may continue to selectively pursue acquisition and other strategic opportunities, which require that we incur various expenses and fees of external advisors. Businesses we have acquired and may in the future acquire have different levels of profitability than us, which may affect our overall profitability, particularly until we are able to realize expected synergies. These increased expenditures will make it harder for us to achieve profitability and we cannot predict with certainty whether we will achieve profitability in the near term or at all.

Historically, certain of our costs have increased each year due to these factors and we expect to continue to incur increasing costs to support our anticipated future growth. If the costs associated with acquiring new customers, including online advertising and paid search costs, scaling our outbound lead generation, scaling our field sales teams, or the terms on which our partners refer clients to us, materially rise in the future, our expenses may rise significantly. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses and may not achieve or maintain profitability, which could cause the trading price of our subordinate voting shares to further decline. While we have been able to leverage the increased scale of our business to negotiate better economics under certain of our cloud service provider and payment processing agreements, there is uncertainty as to whether we will be able to negotiate even more favorable economics under such arrangements in the future. Additionally, failure to generate adequate revenue growth, as well as other related factors, has in the past and may in the future cause decreases in asset values, such as our goodwill, that are deemed to be other than temporary, which may result in further impairment losses.

We may make decisions that would reduce our short-term operating results if we believe those decisions will improve the experiences of our customers and their consumers and if we believe such decisions will improve our operating results over the long-term. These decisions may not be consistent with the expectations of investors and may not produce the long-term benefits that we expect, in which case our business may be materially and adversely affected.

The markets in which we participate are highly competitive. We may not be able to compete successfully against current and future competitors.

We face competition in various aspects of our business and we expect such competition to intensify in the future as existing and new competitors introduce new services or enhance existing services. We have competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than we do. Our potential new or existing competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, regulations or customer requirements. In addition, some of our larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies or terms of service and offer more attractive sales terms or customer promotions, which could cause us to lose potential sales or to sell our solutions at lower prices. We also face competition from niche companies that offer particular products that attempt to address certain of the problems that our platform solves or certain customer needs. In addition, there are a number of companies that are not currently direct competitors but that could in the future shift their focus on our industries and offer competing products and services. There is also a risk that certain of our current customers and business partners could terminate their relationships with us and use the insights they have gained from partnering with us to introduce their own competing products. As our business evolves, the competitive pressure to innovate will encompass a wider range of products and services. While we have invested, and expect to continue to invest significant resources in research and development to continue to enhance our platform, there is no assurance that we can satisfy evolving customer and consumer demands, achieve expected returns, sustain or enhance our competitive advantage, or recoup our investments in a timely manner, or at all.

Competition may intensify as our competitors enter into business combinations or alliances or raise additional capital, or as established companies, including companies in other industry verticals or geographic markets, expand into our industry verticals or geographic markets or increasingly target our ideal customer profile. For instance, certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against us in areas where we operate including, among other things: by integrating competing platforms or features into products they control such as search engines, web browsers, marketplaces, mobile device operating systems, payment networks, or social networks; by making acquisitions; or by making access to our platform more difficult. For example, many large technology platforms have started to impose, and will likely continue to impose, restrictions on the ability of other parties to access or use data from their customers and users. Apple has implemented changes to iOS that have impacted how applications and third parties can access user information and Google has implemented similar changes. In addition, other large technology platforms including certain of our competitors have tried to impose certain obligations on us in order to maintain integrations between our platform and such third-party platforms used by our customers. We may not be able to meet those obligations or decide it is inappropriate to do so, which could result in integrations between our platform and certain third-party platforms being shut down. A shutdown of integrations between our platform and certain third-party platforms and other increasingly restrictive practices by large technology platforms could affect our customers' ability to sell or market their offerings, which could affect the demand for our platform and lead to the loss of current or prospective customers or other business relationships. Further, current and future competitors could choose to offer a different pricing model or to undercut prices in an effort to increase their market share. Competitors may also be more established in the international markets we have expanded to and have a better understanding of local customs, providing them a competitive advantage. If we cannot compete successfully against current and future competitors, our business, results of operations and financial condition could be negatively impacted.

We are now selling our POS and payments solutions together as one unified offering. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. While we believe that offering a complete all-in-one platform that includes payment processing functionality along with all the other functionality of our platform offers our customers significant advantages over separate POS solutions, some potential or existing customers may not desire to use our payment processing services or to switch from their existing payment processing vendors. We are limited in our ability to switch certain customers to our unified payments solution by virtue of the terms and conditions of partnerships we have with third party payments processors. Further, our third party partners have in the past and may in the future allege that we have improperly engaged with certain customers or otherwise breached our contractual obligations to them. Any such allegations could damage our reputation and brand and further expose us to a risk of litigation or other liabilities, which are costly, time consuming, distracting to management and adversely affect our ability to successfully sell our POS and payments solutions together as one unified offering. There can be no assurance that

our efforts to require new and existing customers to adopt our payments solutions will be successful and we may lose certain customers, and our operating results may be adversely affected if we are not successful in our efforts.

In Fiscal 2025, we announced that we are executing a transformation plan to focus on growth among retail customers in North America and hospitality customers in Europe. We will focus on optimizing in our other areas for efficiency, with an aim to drive profitability for the whole business. While we believe retail customers in North America and hospitality customers in Europe represent customers where we have best product market fit and a right-to-win, the aforementioned competitive conditions may adversely impact our ability to successfully execute this strategy on a timely basis or at all. Further, competition with respect to certain of our customers outside of retail customers in North America and hospitality customers in Europe may intensify as a result of our new strategy. Such intensifying competition may result in reduced sales, reduced margins, increased churn, reduced customer retention or other losses, which would adversely affect our business, results of operations and financial condition.

The impact of worldwide economic conditions such as inflation, tariffs and changes in interest rates, including the resulting effect on the operations of and spending by SMBs and on consumer spending, may adversely affect our business, operating results and financial condition.

Our performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact our operations or our customers' operations. Such conditions and events may adversely affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. Deterioration in general economic conditions, including any rise in unemployment rates, inflation, tariffs and increases in interest rates, have adversely affected in the past and may in the future adversely affect consumer spending, consumer debt levels and payment card usage, and as a result, have adversely affected in the past and may in the future adversely affect our financial performance by reducing the number of transactions or average purchase amount of transactions processed using our payments solutions. Deterioration in general economic conditions may also cause financial institutions to restrict credit lines to cardholders or limit the issuance of new cards to mitigate cardholder credit concerns, which could also reduce the number or average purchase amount of transactions processed using our payments solutions. Many of the customers that use our platform are SMBs and many are also in the entrepreneurial stage of their development. SMBs may be disproportionately affected by the aforementioned economic conditions or economic downturns, especially if they sell discretionary goods. SMBs may also be disproportionately affected by other economic conditions, including labor shortages and global supply chain issues. SMBs frequently have limited budgets and may choose to allocate their spending to items other than our platform, especially in times of economic uncertainty or recessions. Economic, political and geopolitical uncertainties, including those related to elections and changes in administrations in the U.S., Canada and Europe (including the impacts of tariffs, other trade conditions or protective government actions), the Israel-Hamas war and Russia's invasion of Ukraine may further amplify such risks.

Economic downturns have and may continue to adversely impact retail and hospitality sales, which could result in us processing lower payments volumes and customers who use our platform going out of business or deciding to stop using our services in order to conserve cash. Moreover, our customers that run restaurants or customers in certain of our retail verticals operate in industries which are intensely competitive and subject to heightened exposure to economic conditions affecting consumer discretionary spending, resulting in overall risk and a rate of failure that are typically greater than for businesses generally.

Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business. Uncertain and adverse economic conditions may also lead to increased write-offs of our trade receivables, and refunds and chargebacks or potential losses to our merchant cash advance program, any of which could adversely affect our business.

Trade wars and changes in international trade law and policies may have a material adverse effect on our business, financial condition and results of operations.

As a global company, our success depends on our ability to sell across borders. Trade wars and changes in laws and policy relating to trade or taxes may have an adverse effect on our business, financial condition and results of operations. More specifically, the geopolitical environment of the markets in which we operate may influence customer demand for our products and may have an impact on costs. For instance, any further changes in the economic and political climate in the U.S., such as the potential changes to, or the termination of, trade agreements between the U.S. and the European Union, or among Canada, the U.S. and Mexico, or the increased geopolitical uncertainty in Europe, could impact our business, our customers' businesses and our results of operations.

The U.S. presidential administration has imposed or threatened to impose new tariffs on imported products from Canada, Mexico, China and other countries. Such U.S. tariffs, and any new or additional retaliatory tariffs that may be taken by Canada or other

countries in response, may adversely affect our or our customers' operations. We are closely monitoring this evolving situation but there can be no assurance that we will be able to mitigate the impacts of any trade measures, which could be material to our business or harm our competitive position.

Third-party hardware that we sell to our customers is generally procured from a single supplier or limited number of suppliers. Thus, we are at risk of shortages, price increases, tariffs or protective government actions, changes, delays or discontinuations of hardware, which could disrupt and materially adversely affect our business.

Many of our solutions require or benefit from the use of third-party hardware products that we sell to our retail and hospitality customers, such as our tablets, customer-facing display, KDS, receipt printers, networking hardware, cash drawers, servers, stands, barcode scanners, payment terminals and an assortment of accessories. A number of such products – including, for example, iPads, iPhones and payment terminals used in connection with Lightspeed Payments – come from limited or single sources of supply. To date, we have not identified alternative suppliers for certain of the single-sourced hardware products sold to our customers. Due to our reliance on the products produced by such single-source suppliers, we are subject to the risk of shortages and long lead times in the supply of certain products. For instance, hardware used as part of Lightspeed Payments must meet stringent certification requirements in addition to being compatible with the technical specifications of the payment system with which it must interface, thus rendering sourcing of such hardware difficult and potentially time-consuming. In the case of off-the-shelf hardware components, we are subject to the risk that our suppliers may discontinue or modify them, or that the hardware components may cease to be available on commercially reasonable terms, or at all.

We have in the past experienced, and may in the future experience, product shortages or delays or other hardware problems, and the availability of such products may be difficult to predict. Global supply chain disruptions and shortages have in the past affected and may in the future affect our supply chain, resulting in low levels of inventory for some of our hardware products. We therefore in the past have been unable to timely fulfill orders for some hardware products and may not be able to do so in the future. Additionally, various sources of supply-chain risk, including trade wars, strikes, delays or shutdowns at delivery ports, disruptions or shutdowns caused by health crises, international conflict or loss of or damage to hardware products while they are in transit or storage, could limit the supply of such products. In the event of a shortage or supply interruption from our hardware suppliers, we may not be able to develop alternate sources quickly, cost-effectively, or at all.

As the scale of the hardware solutions we provide increases, including with respect to the adoption of our payments solutions across our global customer base, we will also need to accurately forecast, purchase, store and transport components at higher volumes. If we are unable to accurately match the timing and quantities of hardware component purchases to our actual needs or successfully implement automation, inventory management, and other systems to accommodate the increased complexity in our supply chain, we may incur unexpected production disruption, storage, transportation, and write-off costs, which may harm our business and operating results. In addition, exchange rate fluctuations, particularly with respect to the US dollar, may adversely impact the pricing of certain hardware distributed across our global regions and accordingly our results of operations.

We also rely on certain suppliers located internationally as part of our supply chain, and the supply chain risks described above may similarly apply to or be more pronounced in respect of those international suppliers. For example, many of the tablets in our supply chain are manufactured in China. Any interruption or delay in product supply, any increases in product costs, the application of tariffs, or the inability to obtain these products from alternate sources at acceptable prices and within a reasonable amount of time, would harm our ability to provide such products to our customers on a timely basis. This could harm our relationships with our customers, prevent us from acquiring new customers, and materially and adversely affect our business.

We expect our suppliers to comply with laws and standards on labor, health and safety, the environment, human rights and business ethics, but we do not directly control them or their practices or standards. If any of these suppliers violates laws or implements practices or standards regarded as unethical, corrupt, or non-compliant, we could experience supply chain disruptions, government actions or fines, litigation, customer and other stakeholder dissatisfaction, canceled orders and damage to our reputation.

Our business could be harmed if we fail to manage our growth effectively and efficiently.

The growth we have experienced in our business places significant demands on our operational infrastructure. The scalability and flexibility of our platform depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth. The growth in the number of customers using our platform in the last several years and the number of requests processed through our platform has increased the amount of data that we process. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance its scalability in order to maintain the performance of our platform.

To support our growth, we expect to make sales and marketing expenditures to increase sales of our platform and increase awareness of our brand, particularly among retail customers in North America and hospitality customers in Europe, and incur research and

development expenses to increase the functionality of our platform and to introduce additional related modules and features. A significant portion of our investments in our sales and marketing and research and development activities will precede the benefits from such investments, and we cannot be sure that we will receive an adequate return on our investments.

Our growth has placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our overall business, with a focus on retail customers in North America and hospitality customers in Europe, with no assurance that our revenues will continue to grow. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. Furthermore, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. In managing our growing operations, we are also subject to the risks of over-hiring and/or overcompensating our employees and over-expanding our operating infrastructure. As a result, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross profit or operating expenses.

In addition, we believe that an important contributor to our success has been our corporate culture, which we believe fosters innovation, teamwork and passion for our customers and a focus on attractive design and technologically advanced and well-crafted software. As a result of our growth, a large portion of our employees have been with us for fewer than two years, and many have joined in a remote work environment. As we continue to grow, we must effectively integrate, develop and motivate employees, some of whom are based in various countries around the world and some of whom come to us via our acquisitions. In addition, we must preserve our ability to execute quickly in further developing our platform and implementing new features and initiatives. As a result, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to recruit and retain personnel, to continue to perform at current levels or to execute on our business strategy, including our transformation plan, effectively and efficiently.

Additionally, certain of our key growth metrics are calculated using internal company data based on the activity we measure on our platform and may be compiled from multiple systems, including systems that are organically developed or acquired through our acquisitions. There are inherent challenges and limitations in measuring our business globally at scale, and the methodologies used to calculate our key metrics inherently require some judgment. We regularly review our processes for calculating these key metrics, and from time to time we may make adjustments to improve their accuracy or relevance. Further, as our business develops, we have in the past and will in the future revise or cease reporting metrics if we determine that such metrics are no longer appropriate measures of our performance. If investors do not consider our reporting metrics to accurately reflect our business or they disagree with our methodologies, our reputation may be harmed and our business may be adversely impacted.

If we are unable to hire, retain and motivate qualified personnel, our business will suffer.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. Our ability to identify, hire, develop, motivate and retain qualified personnel will directly affect our ability to maintain and grow our business, and such efforts will require significant time, expense and attention. The inability to attract or retain qualified personnel or delays in hiring required personnel may seriously harm our business, financial condition and operating results. Our ability to continue to attract and retain highly skilled personnel, specifically employees with technical and engineering skills, employees with high levels of experience in designing and developing software and internet-related services, and employees with skills in emerging technologies such as artificial intelligence, will be critical to our future success and demand and competition for such talent is high. We are also substantially dependent on our direct sales force to obtain new customers and increase sales to existing customers, including with respect to our scaling outbound go-to-market motion for retail customers in North America and scaling field sales motion for hospitality customers in Europe. There is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training, and retaining a sufficient number of sales personnel to support our growth. If we are unable to hire, train, and retain a sufficient number of qualified and successful sales personnel, our business, financial condition, and results of operations could be harmed.

The continued existence of a remote or hybrid working environment may negatively impact our ability to hire, retain and motivate talent. We use a hybrid working model but continue to offer flexible work arrangements in certain circumstances across our Company. We may still face difficulty hiring and retaining our workforce as a result of this use of a hybrid working model. Changes in our work environment and workforce, including those arising from any restructuring actions, cost reduction initiatives, hybrid work policies or our transformation plan, may create operational and workplace culture challenges, which could negatively impact our ability to increase employee productivity or attract and retain our employees and could adversely affect our operations.

Competition for highly skilled personnel in the geographic areas in which we operate can be intense due in part to the more limited pool of qualified personnel as compared to other places in the world, and we have experienced difficulties hiring employees from foreign jurisdictions to work in our offices. Further, changes in the Canadian dollar, the Euro, the British pound sterling, the New Zealand dollar, Swiss Franc or the Australian dollar relative to the U.S. dollar and other currencies could make it more difficult for us

to offer compensation packages to new employees that are competitive with packages in the United States or elsewhere and could increase our costs of acquiring and retaining qualified personnel, especially as our workforce becomes increasingly global. Our efforts to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or have divulged proprietary or other confidential information. Departing personnel could decide to join a competitor or otherwise compete with us. Jurisdictions in which we operate, including the United States and Canada, have recently proposed or adopted laws restricting the use of non-compete agreements and similar arrangements. Our inability to comply with these evolving laws could expose us to potential enforcement actions by regulators, litigation or other liabilities. Further, our inability to prevent departing personnel from providing confidential information to competitors could adversely affect our business and results of operations.

While we have in the past issued, and intend to continue to issue, options, restricted share units or other equity awards as key components of our overall compensation, employee attraction and retention efforts, we are required under IFRS to recognize share-based compensation expense in our operating results for employee share-based compensation under our equity grant programs which, among other factors, may increase the pressure to limit share-based compensation. Our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees and retaining and motivating our existing employees and we have in the past granted, and may be required to grant additional awards or offer alternative forms of compensation to attract and retain highly skilled personnel. Further, certain restrictions pursuant to our equity award plans limit the amount of equity awards we may grant which may require us to offer alternative forms of compensation. The trading price of our subordinate voting shares has been and is likely to continue to be volatile, is subject to fluctuations in response to various factors and may not appreciate. If the perceived value of our equity awards declines for these or other reasons, it may adversely affect our ability to attract and retain highly skilled personnel.

If we fail to improve and enhance the functionality, performance, reliability, design, security and scalability of our platform and innovate and introduce new solutions in a manner that responds to our customers' evolving needs, our business may be adversely affected.

The markets in which we compete are characterized by constant change and innovation and we expect them to continue to evolve rapidly. Our success has been based on our ability to identify and anticipate the needs of our customers and design a platform that provides them with the breadth of tools they need to operate and grow their businesses. Our ability to attract new customers, retain revenue from existing customers and increase sales to both new and existing customers will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, support, design, security and scalability of our platform and to innovate and introduce new solutions. If we fail to anticipate and address customers' rapidly changing needs and expectations or adapt to emerging trends, our reputation could be harmed, customers may prefer other solutions to ours resulting in churn among existing customers or the inability to add new customers, and our business, operating results and financial condition could suffer.

We expect that new services and technologies applicable to the industries in which we operate will continue to emerge and evolve, including developments in POS, eCommerce, online marketplaces, wholesale networks, data, artificial intelligence, payments and other financial solutions technology. Other potential changes are on the horizon as well, notably in the payments space, such as developments in real-time payments, contactless payments, blockchain, crypto-currencies and in tokenization, which replaces sensitive data (e.g., payment card information) with symbols (tokens) to keep data safe in the event of a breach. Similarly, there is rapid innovation in the provision of other products and services to businesses, including tailored financial solutions and marketing services. These new services and technologies may be superior to, impair, or render obsolete the products and services we currently offer or the technologies we currently use to provide them. We have in the past, and may experience in the future, difficulties with software development that could delay or prevent the development, introduction or implementation of new solutions and enhancements, or we may not be fast enough in adopting innovative solutions and practices such as artificial intelligence tools in our software development lifecycle. Software development involves a significant amount of time for our research and development team, as it can take our developers months to update, code and test new and upgraded solutions and integrate them into our platform. We must also continually update, test and enhance our software platform. The continual improvement and enhancement of our platform requires significant investment and we may not have the resources to make such investment. Our improvements and enhancements may not result in our ability to recoup our investments in a timely manner, or at all. We may make significant investments in new solutions or enhancements that may not achieve expected returns. The success of any enhancement or new solution depends on several factors, including the timely completion, adequate quality testing, sufficient demand and market acceptance of the enhancement or new solution, as well as the accuracy of our estimates regarding the total addressable market for such enhancement or new solution. Our ability to develop new enhancements or solutions may also be inhibited by industry-wide standards, payment card networks, laws and regulations, resistance to change by customers, difficulties relating to integration or compatibility with third-party software or hardware, or third parties' intellectual property rights.

Any new solution we develop or acquire might not be introduced in a timely or cost-effective manner, may contain defects, may not have adequate market demand, or might not achieve the broad market acceptance necessary to generate meaningful revenue. Improving and enhancing the functionality, performance, reliability, support, design, security and scalability of our platform is

expensive, time-consuming and complex, and to the extent we are not able to do so in a manner that responds to our customers' evolving needs, our business, operating results and financial condition will be adversely affected.

Our growth strategy involves building on our success in payments and financial solutions, which may present risks and challenges that we have not yet experienced.

Our payments and financial solutions continue to become an increasingly important part of our business. Payments solutions also represent an entry point for us into the provision of other financial solutions such as our merchant cash advance (or similar) offerings. Payments and financial solutions continue to represent a new area of business for our Company and building on our success so far in this area is integral to our growth strategy. This strategy has and will continue to require significant investment in cross-functional operations and management focus, along with investment in supporting technologies and people. Implementation of this strategy may also divert management's attention from other aspects of our business and place a strain on our management, operational, development and financial resources, as well as our information systems. The availability of Lightspeed Payments globally and the availability of other payments and financial solutions worldwide requires us to comply with different and evolving laws governing payment processing, financial services, as well as the collection, storage and use of information and data, including personal data. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories. If so, we may incur additional costs and may not fully realize the investment in our international expansion.

Further, we are developing certain solutions that form a part of our payments and other financial solutions set such as merchant cash advances. Development of new solutions incorporating advanced technology is a complex process and subject to numerous uncertainties. Our success in developing such solutions will depend in part on our ability to develop them in a manner that keeps pace with continuing changes in technology, evolving laws, regulations and industry standards, new solution and product introductions by competitors, changing client preferences and requirements and the interoperability of such solutions with our platform, including the platforms of companies we acquire, and third-party developed portions thereof. Our risk models for these solutions will also continue to require maturation.

In addition, we face competition from established payment processors and financial solutions providers offering existing and proven payments and other financial solutions. These payment processors and other financial solutions providers and their product offerings benefit from a long history of market acceptance and familiarity as compared to Lightspeed Payments and our other payments and financial solutions. Potential customers for our payments solutions and financial solutions may be reluctant to adopt our solutions over existing solutions for a variety of reasons, such as transition costs, business disruption, or loss of functionality to which they are accustomed. Customers may also consider our solutions as inferior to similar solutions offered by our competitors. Further, many of our customers, including the customers of companies we have acquired, currently rely on integrated payments solutions, on which we achieve lower margins compared to Lightspeed Payments. Finally, the marketability of our payments and other financial solutions we offer could be significantly affected by changes in economic or market conditions or by the adoption of new technologies and solutions, including payment technologies. There can be no assurance that our customers will adopt Lightspeed Payments over other competing payment solutions or existing integrated payments solutions, nor can there be any assurance that our customers will adopt our other financial solutions.

If we are unable to provide a convenient and consistent payment experience for our customers, our ability to compete and our results of operations could be adversely affected. In addition, if the solutions we have incorporated into or offer alongside our payments solutions do not appeal to our customers, reliably function as designed, or maintain the privacy and security of customer data, we may experience a loss of customer confidence or lost revenue, which could adversely affect our reputation and results of operations.

We are now selling our POS and payments solutions together as one unified offering. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. While we believe that offering a complete all-in-one platform that includes payment processing functionality along with all the other functionality of our platform offers our customers significant advantages over separate POS solutions, some potential or existing customers may not desire to use our payment processing services or to switch from their existing payment processing vendors. We are limited in our ability to switch certain customers to our unified payments solution by virtue of the terms and conditions of partnerships we have with third party payments processors. Further, our third party partners have in the past and may in the future allege that we have improperly engaged with certain customers or otherwise breached our contractual obligations to them. Any such allegations could damage our reputation and brand and further expose us to a risk of litigation or other liabilities, which are costly, time consuming, distracting to management and adversely affect our ability to successfully sell our POS and payments solutions together as one unified offering. There can be no assurance that

our efforts to require new and existing customers to adopt our payments solutions will be successful and we may lose certain customers, and our operating results may be adversely affected if we are not successful in our efforts.

Our payments solutions subject us to regulatory requirements, payment card network rules, payment card transactions underwriting and other risks that could be costly and difficult to comply with or that could harm our business.

Our business depends on our ability to facilitate the acceptance by our customers of cards, and this ability is provided by payment card networks. We do not directly access the payment card networks that enable acceptance of payment cards. As a result, we must rely on banks and payment processors to process transactions on our behalf. The payment card networks and our payment processors require us to comply with payment card network operating rules.

Our intention to build on the success of our payments solutions, which is a core part of our growth strategy, subjects us to a number of risks related to payments processed through our platform. These risks include, but are not limited to, the following:

- we pay interchange and other fees, which may increase our operating expenses;
- payment card network operators may enter into settlements or agreements, including with government entities, which may adversely affect the pricing that we are able to offer to our customers and our margins;
- payment card network operators may impose rules relating to payment processing such as surcharging rules, which may adversely affect the pricing that we are able to offer to our customers and our margins;
- our payments processors may terminate their relationships with us, fine us or increase our operation costs, if we are unable to maintain our chargeback ratios at acceptable levels, if we violate card network rules or if we engage in any other business or activity that in the view of our payments processors may increase our risk profile;
- increased costs and diversion of management time and effort and other resources to deal with fraudulent transactions, chargeback disputes and risk monitoring;
- potential fraudulent or otherwise illegal or prohibited activity by our customers, their consumers, developers, employees or third parties which could lead to increased liabilities, particularly as a portion of our GTV is processed via eCommerce;
- potential unpaid customer chargebacks and fees for which we must bear the loss;
- restrictions on funds or required reserves or other forms of security related to payments;
- data breaches involving credit card information or other personal information, including security breaches of our customers' systems which could lead to increased liabilities; and
- additional disclosure and other requirements, including new reporting regulations and new payment card network operating rules.

We are required by our payments processors to comply with payment card network operating rules, settlements entered into by payment card network operators and rules imposed by banks, and we have agreed to reimburse our payments processors and the banks for any fees or fines they are assessed by payment card networks as a result of any unpaid liabilities, rule violations by us or our customers. The payment card networks have discretion to enter into settlements or agreements, including with government entities, that affect the payment card networks that we and our customers use. Settlements or agreements entered into by payment card networks may result in increased costs to us and our customers, which may adversely affect our operating results. The payment card networks also have discretion to both set and interpret the card rules and the banks can add to these rules. The payment card network operating rules are set by their boards, which may be influenced by card issuers, and some of those issuers are our competitors with respect to these processing services. Many banks directly or indirectly sell processing services to merchants in direct competition with us. These banks could attempt, by virtue of their influence on the networks, to alter the networks' rules or policies to the detriment of non-members including certain of our businesses. In addition, we face the risk that one or more payment card networks or other processors may, at any time, assess penalties against us or terminate our ability to accept credit card payments or other forms of online payments from customers, which would have an adverse effect on our business, financial condition and operating results.

If we fail to comply with the rules and regulations adopted or settlements entered into by the payment card networks, we could be in breach of our contractual obligations to our payments processors, banks, partners and customers. Such failure to comply may subject us to fines, penalties, damages, higher transaction fees, increased security requirements and civil liability, and could eventually prevent us from processing or accepting payment cards or could lead to a loss of payment processor partners, even if there is no compromise of customer information.

We or our partners may be subject to a variety of laws, regulations and rules globally related to payment processing, including the National Automated Clearing House Association Rules, the Retail Payment Activities Act in Canada, various surcharging rules and

others governing cross-border and domestic money transmission, gift cards and other prepaid access instruments, electronic funds transfers, taxation reporting requirements, contract disclosure requirements, foreign exchange, anti-money laundering, anti-corruption, counter-terrorist financing, privacy and data protection, banking, sanctions and import and export control restrictions. Depending on how our platform and our other customer solutions evolve, and as we expand our payments solutions to new geographies, we expect to become subject to additional laws, either in existing or new jurisdictions. In some jurisdictions, the application or interpretation of these laws and regulations is not clear. Our efforts to comply with these laws and regulations could be costly and result in diversion of management time and effort and may still not guarantee compliance. In the event that we are found to be in violation of any such legal or regulatory requirements, we may be subject to monetary fines or other penalties such as a cease and desist order, or we may be required to make changes to our platform, any of which could have an adverse effect on our business, financial condition and results of operations.

Our risk management efforts in connection with the processing of payments may not be effective, which could expose us to losses and liability and otherwise harm our business.

As we continue to focus on the adoption of our payments solutions across our customer base, greater efforts will be required to vet and monitor our customers and to determine whether the transactions we process for them are legitimate. Our solutions have in the past and may in the future be used to process illegitimate transactions, and in such event we are expected to settle those funds to customers and may be unable to recover them, in which case we would suffer losses and liability. These types of illegitimate transactions can also expose us to governmental and regulatory scrutiny and enforcement actions, and potentially prevent us from satisfying our contractual obligations to our third-party partners which may cause us to be in breach of our obligations. The highly automated nature of, and liquidity offered by, our payments services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering, and terrorist financing. Identity thieves and those committing fraud using stolen or fabricated credit card or bank account numbers, or other deceptive or malicious practices, can subvert our underwriting processes and other efforts to mitigate against fraud risk and steal significant amounts of money from our customers, which amounts we have been and may continue to be required to absorb. Such fraud risk may be amplified as a result of improvements in technology or emerging technologies such as AI. In configuring our payments services, we face an inherent trade-off between security and customer convenience. Our risk management policies, procedures, techniques, and processes may not be sufficient to identify all of the risks to which we are exposed, to enable us to mitigate the risks we have identified, or to identify additional risks to which we may become subject in the future. Our current business, changes due to macroeconomic uncertainty and anticipated domestic and international growth will continue to place significant demands on our risk management and compliance efforts, and we will need to continue hiring experienced personnel to manage our risks and developing and improving our existing risk management infrastructure, techniques, and processes. As a greater number of customers use our services over time, our exposure to material risk losses from a single customer, or from a small number of customers, will increase. In addition, when we introduce new services, focus on new business types, or begin to operate in markets where we have a limited history of fraud loss, we may be less able to forecast and reserve accurately for those losses. Furthermore, if our risk management policies and processes contain errors or are otherwise ineffective, we may suffer large financial losses and our business may be materially and adversely affected.

We have and will continue to be exposed to risks associated with chargebacks and refunds in connection with payment card fraud or relating to the goods or services provided by our customers. In the event that a billing dispute between a cardholder and a customer is not resolved in favor of the customer, including in situations where the customer engaged in fraud, the transaction is typically “charged back” to the customer and the purchase price is credited or otherwise refunded to the cardholder. If we are unable to collect chargeback or refunds from the customer’s account, or if the customer refuses to or is unable to reimburse us for a chargeback or refunds due to closure, bankruptcy, or other reasons, we may bear the loss for the amounts paid to the cardholder, in addition to corresponding fees and fines. While we have the right to do so, we do not typically collect and maintain reserves from our customers to cover these potential losses, and for customer relations purposes, we sometimes decline to seek reimbursement for certain chargebacks. The risk of chargebacks is typically greater with those of our customers that promise future delivery of goods and services, and that finalize sales in a card-not-present environment such as online or over the phone, which risk becomes increasingly significant as a greater amount of our GTV is processed via eCommerce solutions. Moreover, chargebacks typically increase during economic downturns due to customers becoming insolvent or bankrupt or otherwise unable to fulfill their commitments for goods or services. Additionally, tariffs and other protective government actions, global supply chain disruptions and shortages have and may continue to negatively affect customers' ability to deliver goods and services on time or at all, which increases the risk of chargebacks. If we are unable to maintain our losses from chargebacks at acceptable levels, the payment card networks could fine us, increase our operating costs, or terminate our ability to process payment cards. Any increase in our operating costs could damage our business, and if we were unable to accept payment cards, our business would be materially and adversely affected.

We are subject to additional risks relating to our merchant cash advance program including the availability of capital to fund customers, the ability of our customers to generate sales to remit receivables, general macroeconomic conditions, legal and regulatory risks and the risk of fraud.

To further complement our core cloud solutions, we offer a merchant cash advance program called Lightspeed Capital. This program provides cash advances to eligible merchants and is designed to help them with overall business growth and cash management. Merchants use these cash advances to manage their cash flows, to buy inventory, and to invest in marketing, among other things. Such merchant cash advance programs are subject to additional risks. We are dependent on certain third-party partners to operationalize merchant cash advances. Further, if we cannot source capital to fund the advances for our customers, we might have to reduce the availability of this service, or cease offering it altogether. A decline in macroeconomic conditions could lead to a decrease in the number of our customers eligible for an advance, and/or increase the risk of fraud or non-payment. If more of our customers cease operations, experience a decline in sales, or engage in fraudulent behaviour, including subverting our underwriting processes, it would make it more difficult for us to obtain the receivables we have purchased via merchant cash advances or to obtain repayment of merchant cash advances we have made. In addition, if we fail to correctly predict the likelihood of timely repayment of merchant cash advances, our business may be materially and adversely affected. Merchant cash advances are generally unsecured obligations, and they are not guaranteed or insured in any way. If we are unable to properly manage the risks of offering merchant cash advances to customers, our business may be materially and adversely affected.

The legal and regulatory environment also subjects us to risk related to any cash advance programs we offer or may offer, and these risks increase with expansion into new geographies. In recent years we have focused on scaling our merchant cash advance program and have expanded Lightspeed Capital into some of our target European geographies (including France, Germany, the Netherlands and Belgium) as well as New Zealand and Australia. Laws and regulations related to merchant cash advances continue to evolve. If laws and regulations change subjecting merchant cash advances to licensing, disclosure or other issuing requirements, our costs may increase or we may decide to discontinue the merchant cash advance program altogether or in part, and our business and results of operations would be negatively impacted.

We intend to continue to explore other products, models, structures and markets to advance cash or capital to our merchants. Some of those models, structures or markets may require, or be deemed to require, additional procedures, partnerships, licenses, regulatory approvals or capabilities. Should we fail to expand and evolve in this manner, or should these new products, models, structures, markets or new regulations or interpretations of existing regulations, impose requirements on us that are impractical or that we cannot satisfy, the future growth and success of our merchant cash advance program may be materially and adversely affected.

Our operating results are subject to seasonal fluctuations.

Our transaction-based revenues are directionally correlated with the total dollar value of transactions processed through our platform. We believe our transaction-based revenues will continue to represent a significant proportion of our overall revenue mix as a result of the continued customer adoption of our payments solutions, and we expect seasonality of our quarterly results to continue. We expect our overall revenues to continue to be correlated with respect to our GPV. While there has been historical seasonality for certain quarters, historical patterns in our business have not always been and may not in the future be a reliable indicator for our future performance. Fluctuations in quarterly results may materially and adversely affect the predictability of our business and the price of our subordinate voting shares.

Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive position may be harmed.

We believe that maintaining, promoting and enhancing the Lightspeed brand is critical to expanding our business. Maintaining and enhancing our brand will depend largely on our ability to continue to provide high-quality, well-designed, useful, reliable and innovative solutions, which we may not do successfully.

Errors, defects, data breaches, disruptions, outages or other performance problems with our platform or related services, including with third-party applications, may harm our reputation and brand. We may introduce new solutions or terms of service that our customers and their consumers do not like, which may negatively affect our brand. Additionally, if our customers or their consumers have a negative experience using our solutions or third-party solutions integrated with Lightspeed, such an experience may affect our brand, especially as we continue to attract larger customers to our platform.

We receive media coverage globally. Any unfavorable media coverage or negative publicity about our industry or our Company, including, for example, publicity relating to the quality and reliability of our platform, our privacy and security practices, our product changes, our payment processing terms of service or rates, our financial reporting, pending or threatened litigation, regulatory activity, or the actions of our partners or our customers, could seriously harm our reputation, even if inaccurate or misleading. Such negative

publicity could also adversely affect the size, demographics, engagement, and loyalty of our customers and result in decreased revenue, which could seriously harm our business. Critics of our industry, and others who may want to pursue an agenda have in the past and may in the future utilize the internet, social media, the press and other means to publish criticisms of our industry, our Company and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. We or others in our industry may receive similar negative publicity or allegations in the future, and it could be costly, time consuming, distracting to management, negatively affect our ability to hire, retain, and motivate qualified personnel, cause fluctuations in the market price of our subordinate voting shares and harm our business and reputation.

We believe that the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful solutions at competitive prices, successful promotion of our brand will depend on the effectiveness of our marketing efforts. In Fiscal 2025, as part of our transformation strategy we have begun to enhance our go-to-market strategy with more targeted outbound efforts, field sales, and local marketing expansion. Our outbound go-to-market approach involves proactively targeting and acquiring leads and utilizing verticalized sales and marketing pods to drive brand awareness within target verticals. As part of this transformation strategy we are shifting from paid advertising to more targeted outbound efforts. Our inbound go-to-market approach involves advertisements on search engines, social networking and media sites, and paid banner advertisements on other websites. In addition, our platform is also marketed through our partner and reseller channels and through a number of free traffic sources, including customer referrals, word-of-mouth and search engines. The success of our brand promotion efforts is partly dependent on our visibility on third-party advertising platforms and changes in the way these platforms operate or changes in their terms or data use practices could make marketing and promotion of our platform and brand more expensive and difficult. Our efforts to market our brand have involved significant expenses. Our marketing spend may not yield increased revenue, and even if it does, any increased revenue may not offset the expenses we incur in building and maintaining our brand. There can be no assurance that we will be successful in scaling our outbound go-to-market motion, or that shifting from paid advertising to more targeted outbound efforts will effectively improve our brand recognition. The failure to successfully execute on our outbound and inbound go-to-market motions or realize the benefits therefrom could have a material adverse effect on our business, financial condition and results of operations.

We rely on a limited number of suppliers to provide part of the technology we offer through Lightspeed Payments and/or other payments offerings.

In order to provide our customers with payments solutions, we have entered into a variety of payment processing agreements including with Stripe, Inc. and its subsidiaries (collectively, "**Stripe**"), Adyen N.V. ("**Adyen**") and PayPal, Inc. ("**Paypal**"). Additionally, certain of our payments solutions for acquired customers are provided via payment processing agreements with First Data Corporation ("**First Data**"). These agreements are of significant importance to Lightspeed Payments and/or our other payments offerings and any disruption or problems with Stripe, Adyen, PayPal, First Data or their respective services could have an adverse effect on our reputation, results of operations and financial results. If any of these providers were to terminate their relationship with us or our relationships with these providers were to terminate for any reason, we could incur substantial delays and expenses in finding and integrating an alternative payment service provider into our ecosystem, and the quality and reliability of such alternative payment service provider may not be comparable. Any long-term or permanent disruption in Lightspeed Payments and/or our other payments offerings would negatively impact our revenues, since our customers would be required to use one of our integrated payment processing solutions or a third-party payment provider. Our suppliers also depend on various banks and other financial institutions to provide certain payment processing services. Any variations to those relationships, outages, delays, or shutdowns impacting the banking industry would impede our ability to provide payments solutions to our customers and could have an adverse resulting impact on our financial results.

We are now selling our POS and payments solutions together as one unified offering. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. While we believe that offering a complete all-in-one platform that includes payment processing functionality along with all the other functionality of our platform offers our customers significant advantages over separate POS solutions, some potential or existing customers may not desire to use our payment processing services or to switch from their existing payment processing vendors. We are limited in our ability to switch certain customers to our unified payments solution by virtue of the terms and conditions of partnerships we have with third party payments processors. Further, our third party partners have in the past and may in the future allege that we have improperly engaged with certain customers or otherwise breached our contractual obligations to them. Any such allegations could damage our reputation and brand and further expose us to a risk of litigation or other liabilities, which are costly, time consuming, distracting to management and adversely affect our ability to successfully sell our POS and payments solutions together as one unified offering.

Our growth depends in part on the success of our strategic relationships with third parties.

We anticipate that the growth of our business will continue to depend on third-party relationships, including strategic partnerships and relationships with our service providers and suppliers, software developers, app developers, theme designers, referral sources, resellers, payments processors, installation partners, providers of artificial intelligence technology and solutions, providers of online sales channels, system integrators and other partners. In addition to growing our third-party partner ecosystem, we have entered into agreements with, and intend to pursue additional relationships with, other third parties, such as shipping partners and technology and content providers. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third-party technology and content. Some of the third parties that sell our services have direct contractual relationships with our customers, and in these circumstances, we risk the loss of such customers if those third parties fail to perform their contractual obligations, including in the event of any such third party's business failure. Our agreements with providers of cloud hosting, technology, content and consulting services are typically non-exclusive and do not prohibit such service providers from working with our competitors or from offering competing services. In particular, we have limited providers of cloud hosting services. These third-party providers may choose to terminate their relationship with us or to make material changes to their businesses, products or services in a manner that is adverse to us.

The success of our platform depends, in part, on our ability to integrate third-party applications, themes and other offerings into our third-party ecosystem. Third-party developers may also change the features of their offering of applications and themes or alter the terms governing the use of their offerings in a manner that is adverse to us. If third-party applications and themes change such that we do not or cannot maintain the compatibility of our platform with these applications and themes, or if we fail to provide third-party applications and themes that our customers desire to add to their businesses, demand for our platform could decline. We are also dependent on the interoperability of our platform with third-party mobile and tablet devices along with their respective operating systems, as well as web browsers and application stores that we do not control. If we are unable to maintain technical interoperation, our customers may not be able to effectively integrate our platform with other systems and services they use. We may also be unable to maintain our relationships with certain third-party vendors if we are unable to integrate our platform with their offerings. In addition, third-party developers may refuse to partner with us or limit or restrict our access to their offerings. Partners may also impose additional restrictions on the ability of third parties like Lightspeed and our customers to access or use data from their consumers. Such changes could functionally limit or terminate our ability to use these third-party offerings with our platform, which could negatively impact our solution offerings and harm our business. If we fail to integrate our platform with new third-party offerings that our customers want or need for their businesses, or to adapt to the data transfer requirements of such third-party offerings, we may not be able to offer the functionality that our customers and their clients expect, which would negatively impact our offerings and, as a result, harm our business.

Further, our competitors may effectively incentivize third-party developers to favor our competitors' products or services, which could diminish our prospects for collaborations with third-parties and reduce subscriptions to our platform. In addition, providers of third-party offerings may not perform as expected under our agreements or under their agreements with our customers, and we or our customers may in the future have disagreements or disputes with such providers. If any such disagreements or disputes cause us to lose access to products or services from a particular supplier, or lead us to experience a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, they could have an adverse effect on our business and operating results.

If we fail to maintain a consistently high level of customer service or if we fail to manage our reputation, our brand, business and financial results may be harmed.

We believe our focus on customer service and support is critical to attract and onboard new customers, retain our existing customers and grow our business. As a result, we have invested heavily in the quality and training of our support team, along with the tools they use to provide this service. We have also invested in tailored customer support experiences for complex, higher GTV customers. In addition, we maintain a sizeable support team contingent via third-party providers located in South Africa and the Philippines.

The number and complexity of our customers has grown over time, which puts additional pressure on our support organization. In order to meet these needs, we have relied in the past and will continue to rely on self-service customer support to resolve common or frequently asked questions, which supplement our customer support teams. If we are unable to provide efficient and effective customer support globally at scale including through the use of self-service support or by leveraging evolving technology such as artificial intelligence, our ability to grow our operations may be harmed and we may need to hire additional support personnel, which could harm our margins and results of operations.

If we or our third-party service providers are unable to maintain a consistently high level of customer service, including executing a tailored customer support experience for complex, higher GTV customers, we may lose existing customers. In addition, our ability to attract new customers is highly dependent on our reputation and on positive recommendations from our existing customers. Any failure to maintain a consistently high level of customer service and to help our customers quickly resolve issues and provide effective

ongoing support could harm our ability to retain existing customers and attract new customers, particularly in our ideal customer profile, and our reputation with existing or potential customers could suffer. We may experience difficulties maintaining a consistent level of service across our international operations and third-party providers, including as a result of executing our transformation plan.

Our pricing decisions may fail to generate expected results and may adversely affect our ability to attract new merchants and retain existing merchants.

We have changed our pricing models from time to time and expect to do so in the future. Such changes may not yield expected benefits to our business and financial results and could also negatively affect the willingness of merchants to use our products and services. If our pricing models are not optimal, it may adversely affect the profitability of our solutions. Our pricing decisions may also impact the mix of merchant adoption among our plans and negatively impact our overall revenue. Moreover, our merchants may be sensitive to changes in our pricing models compared to prices offered by our competitors. As a result, our pricing decisions may result in loss of market share and in the future we may be required to reduce our prices, which could adversely affect our revenue, gross profit, profitability, financial position and cash flows. Furthermore, as competitors introduce new products or services that compete with ours, or change their pricing strategy, we may be unable to attract new customers at the same price or based on the same pricing and packaging models that we have used historically.

Security breaches, denial of service attacks, or other hacking and phishing attacks on our systems or other security breaches, including internal security failures, could harm our reputation or subject us to significant liability, and adversely affect our business and financial results.

We operate in an industry that is a target of cyberattacks. Failure to prevent or mitigate security breaches and improper access to or disclosure of our data, customer data, or the data of their consumers, could result in the loss or misuse of such data, which could harm our business and reputation. The security measures we have integrated into our internal networks and platforms are designed to prevent or minimize security breaches but may not function as expected or may not be sufficient to protect our internal networks and platforms against certain attacks. As AI technologies develop rapidly, threat actors are using these technologies to create new attack methods that are increasingly automated, faster to exploit and more difficult to defend against. In addition, incidents can originate on our partners' websites or systems, which can then be leveraged to access our website or systems, further preventing our ability to successfully identify and mitigate an attack. Threat actors are rapidly evolving the techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted. As a result, we may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into our networks. While we have established cyberattack remediation plans to guide us in triaging and responding to such attacks, there can be no assurance that the measures set forth under such plan will be adequate in all circumstances nor that they will be effective in mitigating, or allowing us to recover from, the effects of such attacks. While we have insurance coverage, this coverage may be insufficient to compensate us for all liabilities that we may incur.

Our customers' storage and use of data to operate their businesses and deliver services to their consumers is essential to their use of our platform, which stores, transmits and processes our customers' proprietary information and personal information relating to them, their employees and their consumers. If a security breach were to occur, as a result of third-party action, employee error, breakdown of our internal security processes and procedures, malfeasance or otherwise, and the confidentiality, integrity or availability of our customers' data were disrupted, we could incur significant liability to our customers, to partners and to individuals whose information was being stored by our customers, and our platform may be perceived as less desirable, which could negatively affect our business and damage our reputation.

Our platform and third-party applications available on, or that interface with, our platform have been and in the future may be subject to distributed denial of service attacks ("**DDoS**"), a technique used by hackers to take an internet service offline by overloading its services. Since techniques used to deliver DDoS attacks are evolving, we may be unable to implement adequate preventative measures or stop DDoS attacks or security breaches while they are occurring. We cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. In addition, computer malware, viruses, ransomware, extortion, and hacking and phishing attacks or social engineering incidents by third parties are prevalent in our industry. We have experienced such attacks and security incidents in the past and may experience them in the future. For example, in recent years we were the target of frequent phishing and distributed DDoS attempts. Any actual or perceived DDoS attack or security breach could damage our reputation and brand, expose us to a risk of litigation and possible liability and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the DDoS attack or security breach.

Moreover, our platform and third-party applications available on, or that interface with, our platform could be breached if vulnerabilities in our platform or third-party applications are exploited by unauthorized third parties or due to employee error,

breakdown of our internal security processes and procedures, malfeasance, or otherwise. If these third parties fail to adhere to adequate data security practices, or in the event of a breach of their networks, our own and our customers' data may be improperly accessed, used or disclosed. Further, threat actors may attempt to use credentials from the dark web, fraudulently induce employees or customers into disclosing sensitive information such as credentials or other information or otherwise compromise the security of our internal networks, electronic systems and/or physical facilities in order to gain access to our data or our customers' data. As a result of our increased visibility, the size of our customer base, and the increasing amount of confidential information we process, we believe that we are increasingly a target for such breaches and attacks. This threat may intensify in the event of cyberattacks stemming from geopolitical events and unrest. In addition to our own platform and applications, some of the third parties we work with may receive information provided by us, by our customers, or by our customers' consumers through web or mobile applications integrated with Lightspeed. If these third parties fail to adhere to adequate data security practices, or in the event of a breach of their networks, our own and our customers' data may be improperly accessed, used or disclosed.

Some jurisdictions have enacted laws requiring companies to notify individuals and authorities of data security breaches involving certain types of personal or other data and our agreements with certain customers and partners require us to notify them in the event of a security incident. Similarly, if our suppliers experience data breaches and do not notify us or honor their notification obligations to authorities or users, we could be held liable for the breach. We may not be in a position to assess whether a data breach at one of our suppliers would trigger an obligation or liability on our part. Such mandatory disclosures are costly, could lead to negative publicity, and may cause our customers to lose confidence in the effectiveness of our data security measures. Moreover, if a high-profile security breach occurs with respect to another SaaS provider, customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain revenue from existing customers or attract new ones. Similarly, if a high-profile security breach occurs with respect to a retailer or eCommerce platform, customers may lose trust in eCommerce more generally, which could adversely impact our customers' businesses. Any of these events could harm our reputation or subject us to significant liability, and materially and adversely affect our business and financial results.

System failures, interruptions, delays in service, catastrophic events, inadequate infrastructure and resulting interruptions in the availability or functionality of our platform could harm our reputation or subject us to significant liability, and adversely affect our business and financial results.

Our brand, reputation and ability to attract, retain and serve our customers are also dependent upon the reliable performance of our platform, including our underlying technical infrastructure. Our platform is mission critical for our customers who rely on it to manage their businesses and the data collected in connection therewith, including transaction records, information about inventory and customers and other important business information and data. Our systems, those of our third-party data center facilities and those of our payment partners and other service providers may experience service interruptions, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks and other geopolitical unrest, cyberattacks or disruptions, computer viruses, ransomware, malware or other events. Our systems are also subject to break-ins, sabotage, and acts of vandalism. Our platform and technical infrastructure may not be adequately designed with sufficient reliability and redundancy and our disaster recovery planning, which includes using geographically distinct and multi-region data centers, may not be sufficient to avoid performance delays or service outages that could be harmful to the businesses of our customers and our business.

In addition, as a provider of payments and financial services solutions, we are subject to increased scrutiny by regulators that may require specific business continuity and disaster recovery plans and more rigorous testing of such plans. This increased scrutiny may be costly and time-consuming and may divert our resources from other business priorities. We have experienced significant increased growth in GPV over the past years; however, despite the implementation of architectural changes to safeguard sufficient future processing capacity on our payments platform, in the future the payments platform could potentially reach the limits of the number of transactions it is able to process, resulting in longer processing time or even downtime. Our efforts to safeguard sufficient future processing capacity are time-consuming, involve significant technical risk and may divert our resources from new features and products, and there can be no guarantee that these efforts will succeed. Furthermore, any efforts to further scale the platform or increase its complexity to handle a larger number or more complicated transactions could result in performance issues, including downtime. A failure to adequately scale our payments platform could therefore materially and adversely affect our business, financial condition or results of operations.

We have in the past experienced and may in the future experience service interruptions that disrupt the availability or reduce the speed or functionality of one or more of our solutions. These events have resulted and likely will result in loss of revenue. In addition, they could result in significant expense to repair or replace damaged equipment and remedy resultant data loss or corruption. A prolonged interruption in the availability or reduction in the speed or other functionality of our platform could materially harm our reputation and business. Frequent or persistent interruptions in access to functionality of our platform could cause our customers to believe that our platform is unreliable. If our platform is unavailable when our customers attempt to access it, or if our platform does not perform to expected levels, especially during peak periods for our customers, such as the holiday shopping season, our customers may cease to use our platform entirely. Moreover, to the extent that any system failure or similar event results in damages to customers or their

businesses, these customers could seek compensation from us for their losses, and those claims, even if unsuccessful, would likely be time-consuming and costly to address. While we have implemented measures intended to prevent or mitigate such interruptions, there can be no assurance that such measures will successfully prevent service interruptions in the future.

A significant natural disaster could have a material and adverse effect on our business. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our headquarters or the data centers of our service providers could result in lengthy interruptions in access to or functionality of our platform or could result in related liabilities. We do not maintain insurance sufficient to compensate us for the potentially significant losses that could result from disruptions to our services.

Interruptions or other issues in the proper functioning of or upgrades to our information technology systems could cause disruption to our operations.

Our information technology systems require periodic modifications, upgrades, and replacement that subject us to costs and risks, including potential disruption to our internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel or outside firms to implement and operate existing or new systems, diversion of management's attention from other aspects of our business, and other risks and costs of delays or difficulties in transitioning to new or modified information technology systems or of integrating new or modified information technology systems into our current technical infrastructure.

We are continually improving and upgrading our information technology systems, including systems of the companies we have acquired, which acquired systems we have integrated to varying degrees. Implementation of new information technology systems is complex, expensive, and time-consuming. If we fail to timely and successfully implement new information technology systems, or improvements or upgrades to existing or integrated information technology systems, or if such information technology systems do not operate as intended, this could have an adverse impact on our business, internal controls (including internal controls over financial reporting), results of operations and financial condition.

We heavily rely on our information technology systems to manage our various business operations and regulatory compliance. Our technical infrastructure has in the past and may in the future be subject to damage or interruption from a variety of sources, including power outages, computer and telecommunications failures, fraud, computer viruses, cybersecurity breaches, vandalism, severe weather or climate conditions, catastrophic events, military or political conflicts, terrorism, and human error. If our information technology systems are damaged, fail to function properly, or otherwise become compromised or unavailable, we may incur substantial costs to repair or replace them, and we may experience loss of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business, results of operations and financial condition.

We store personal and other information of our partners, our customers and their consumers and our employees. If the security of this information is compromised or is otherwise accessed without authorization, or is perceived to be compromised or accessed without authorization, our reputation may be harmed and we may be exposed to liability and loss of business.

We store personal information and other confidential information of our partners and our customers, and may also store credit card information of our customers. We also collect and maintain personal information of our employees. Third-party software applications integrated with Lightspeed and the third-party applications available on our platform may also store personal information and/or other confidential information. We do not regularly monitor or review the content that our customers upload and store, or the information provided to us through the applications integrated with our platform, and, therefore, we do not control the substance of the content hosted within our platform, which may include personal information. Additionally, we use third-party service providers and subprocessors to help us deliver services to customers and their consumers. These service providers and subprocessors may store personal information, credit card information and/or other confidential information.

We have in the past experienced and may in the future experience successful attempts by third parties to obtain unauthorized access to the personal information of our partners, our customers and our customers' consumers, and events or situations as a result of which this information was or could be exposed through human error, malfeasance or otherwise. Cyber incidents have been increasing in sophistication and frequency and threat actors are using AI technologies to create new attack methods that are increasingly automated, targeted, coordinated and difficult to defend against. The unauthorized or inadvertent release or access, or other compromise of this information could have a material adverse effect on our business, financial condition and results of operations. Even if such a data breach were to affect one or more of our competitors or our customers' competitors, rather than us, the resulting consumer concern could negatively affect our customers and/or our business.

We are also subject to federal, state, provincial and foreign laws regarding cybersecurity and the protection of data. The regulatory framework in Canada, the United States, Europe and many other jurisdictions in respect of privacy issues is constantly evolving and is likely to remain uncertain for the foreseeable future. Numerous laws and regulations, including but not limited to Canada's Personal Information Protection and Electronic Documents Act, Québec's Law 25, the European Union's General Data Protection Regulation

(GDPR), the UK's General Data Protection Regulation, the California Consumer Privacy Act as modified by the California Consumer Privacy Rights Act, and other privacy laws and regulations enacted at the state level in the U.S. have detailed requirements concerning the collection, use, disclosure, transfer, safeguarding, and retention of personal data and grant individuals certain rights related to their personal data.

Similar U.S. state laws have gone into effect or will go into effect in the coming years, while others have been proposed in additional U.S. states and at the federal level, reflecting a trend toward more stringent privacy legislation in the U.S. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. Restrictions imposed by such laws may also impair our merchant's ability to sell or market their products or adversely impact our product development efforts, which could affect our operating results.

Many of these laws and regulations include significant penalties. For example, Québec's Law 25 introduces penalties of up to CAD $25 million or 4% of global turnover for serious violations, whichever amount is higher. Fines for certain breaches of the GDPR or the UK GDPR range from €10 million / £8.7 million to €20 million / £17.5 million or 2% to 4% of total global annual turnover.

In addition to the foregoing, a breach of cybersecurity and data protection laws could result in regulatory investigations, reputational damage, orders to cease or change our data processing, enforcement notices, and / or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are also subject to evolving privacy laws on cookies and e-marketing. In the European Union and the United Kingdom, regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem. In the European Union and the United Kingdom, informed consent is required for the placement of a cookie or similar technologies on a user’s device and for direct electronic marketing. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. Recent European court and regulator decisions, regulators’ recent guidance and recent campaigns by a not-for-profit organization are driving increased attention to cookies and tracking technologies. If regulators continue to enforce the strict approach in recent guidance, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. In certain U.S. states, we may become subject to claims and lawsuits, including class actions, related to use of cookies and other website analytics and advertising tools. Regulation of cookies and similar technologies, potential litigation relating to the use of these tools, and any decline in their use as a means to identify and potentially target users, may lead to broader restrictions and impairments on our marketing and personalization activities and may negatively impact our efforts to understand users.

The interpretation and application of the above laws are often uncertain and such laws may be interpreted and applied in a manner inconsistent with our current policies and practices or require us to make changes to our platform. Additionally, laws in some jurisdictions, as well as our contracts with certain customers, require us to use industry-standard or reasonable measures to safeguard personal information or confidential information, and thereby mitigate the risk of a security incident. These laws and contractual obligations, which tend to focus around individuals’ financial and payment related information, are increasingly relevant to us, as we have started to process more information from our customers’ consumers through our platform.

Our failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties imposed by regulators, as well as claims by our partners, our customers and their consumers, our employees or other relevant stakeholders. These proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, diversion of management’s time and attention, increase our costs of doing business, and materially adversely affect our reputation and the demand for our solutions.

In addition, while we employ security measures to protect any personal information that we may collect and store, such as through encryption and authentication technology licensed from third parties, advances in computer capabilities, new discoveries in the field of cryptography and other developments may result in a compromise or breach of the technology we use to protect personal information. Techniques used to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and are becoming increasingly sophisticated. As a result, we, and third parties we work with, including service providers we use and third party apps or other services used by our customers, may be unable to anticipate these techniques, detect the attacks for long periods of time or implement adequate preventative measures. If our security measures fail to protect personal information adequately, including any credit card information we collect or transmit, we could be liable to our partners or our customers for their losses. As a result, we could be subject to fines, we could face regulatory or other legal action, and our customers could end their relationships with us. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. In addition, while we carry

insurance against cybersecurity risks that we consider appropriate, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that our insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations.

Further, because data security is a critical competitive factor in our industry, we may make statements in our privacy statements and notices and in our marketing materials describing the security of our platform, including descriptions of certain security measures we employ or security features embedded within our products. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond our reasonable control, we may face claims, including claims of unfair or deceptive trade practices, brought by the U.S. Federal Trade Commission, state, local, or foreign regulators (e.g., a European Union-based data protection agency), or private litigants.

We may incur additional costs to maintain legitimate means for our transfer and receipt of personal data from European countries, or may be unable to maintain such legitimate means.

Laws and regulations like the GDPR restrict cross-border data transfers to third countries unless specific conditions are met, such as an adequacy decision or appropriate safeguards. We rely on a variety of data transfer mechanisms, including the EU's adequacy decision regarding Canada, Standard Contractual Clauses, and are certified under the EU-U.S. Data Privacy Framework (DPF) and its UK and Swiss extensions. The validity and ongoing adequacy of these transfer mechanisms, including the DPF, remain subject to potential challenges and regulatory scrutiny. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. Accordingly, we may experience reluctance or refusal by current or prospective European customers to use our products, and we may find it necessary or desirable to make further changes to our handling of personal data of European residents, including arrangements to store and process such data outside the U.S.

The regulatory environment applicable to the handling of the personal data of individuals from Europe and the UK, and our actions taken in response may cause us to assume additional liabilities or incur additional costs, and could result in our business, operating results and financial condition being harmed. Any enforcement actions by data protection authorities could result in substantial costs and diversion of resources, distract management and technical personnel and negatively affect our business, operating results and financial condition.

Development of AI and its integration to our operations could present risks and challenges to our business.

We, and many of our partners and suppliers, have and will continue to incorporate artificial intelligence, or AI, solutions into our business and operations from time to time. As with many innovations, AI presents risks and challenges that could affect its further development, adoption, and utilization, and therefore affect our business. If the content, recommendations or analyses that AI applications assist in producing are or are alleged to be deficient or inaccurate, we could be subject to competitive risks, potential legal or financial liability, and reputational harm. Furthermore, the integration of third-party AI models, including Large Language Models, within our products and services may rely, in part, on certain safeguards implemented by the third-party developers of the underlying AI models, including those related to the accuracy, bias, and other variables of the data, and these safeguards may be insufficient. The terms and conditions under which we engage with partners and suppliers of AI solutions may be inadequate to protect information we share in the context of interactions with AI technology, which may result in confidential and/or propriety information improperly being used to train third-party AI models.

Using AI and other machine learning technologies while the technology is still developing may expose us to liability, reputational harm, and threats of litigation, particularly if such technology produces errors, AI bias, AI hallucinations, harmful content, discriminatory content, intellectual property infringement or misappropriation, data privacy or cybersecurity issues, or otherwise if such technology does not function as intended. The use of AI applications may also result in cybersecurity or privacy incidents. Any such incidents related to our use of AI applications could adversely affect our business. In addition, AI may present emerging ethical issues. If our use of AI becomes controversial, we may experience reputational harm or other liabilities.

Moreover, with the use of certain AI and other machine learning technologies, there may be a lack of transparency of the sources of data used to train or develop such technologies or how inputs are converted to outputs, and we may not be able to fully validate this process and its accuracy. Additionally, the use of AI and other machine learning technologies in connection with the creation or development of intellectual property may present challenges in asserting ownership over the resulting output given the position of courts and intellectual property offices in certain jurisdictions that human inventorship is required for patent protection of an AI-generated invention and human authorship is required for copyright protection of an AI-generated work of authorship. Further, there is a risk that the data inputted into such technologies may contain confidential information, including trade secrets, resulting in such information becoming accessible by third parties or being used to train the technologies.

Further, given the nascence of AI, factors that may impact AI, such as government regulations and market demand, are uncertain, and we may be unsuccessful in our product development efforts. Several US states have introduced or enacted legislation that is designed to govern the development or use of AI. Other states and countries have or are considering applicable legislation, and the EU Artificial Intelligence Act, which aims to introduce a common regulatory and legal framework for EU Member States, came into effect on August 1, 2024. Our ability to use and offer AI and machine learning solutions may be constrained by current or future laws, regulatory or self-regulatory requirements. The rapid evolution of AI, including potential additional government regulation of AI and its various uses, may require significant resources for us to implement compliant and ethical AI practices.

Our competitors or other third parties may also incorporate AI into their products and operations. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired, which may adversely affect our business and results of operations.

Our business is susceptible to risks associated with international operations, including international sales, our presence and the use of our platform in various countries.

We currently have customers in more than 100 countries and we expect to continue to expand our international operations and penetration in international markets in the future and we may continue to expand our workforce globally, including in emerging markets. However, our international operations, sales and the use of our platform in various countries subject us to risks that we do not generally face with respect to domestic operations or sales within North America. These risks include, but are not limited to:

- greater difficulty in enforcing contracts, including our general terms of service and other agreements;
- lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws, including with respect to our personnel acquired via our acquisition of Ecwid and increased sanctions and export controls related to Russia's invasion of Ukraine;
- compliance with U.S., Canadian and foreign anti-corruption, anti-bribery, and anti-money laundering laws;
- bureaucratic obstacles, selective or arbitrary government actions, and corruption;
- data privacy laws which may require that customer and consumer data be stored and processed in a designated territory;
- restricted access to and/or lower levels of use of the internet;
- difficulties in managing systems integrators and technology partners;
- different technology standards, different commercial practices, including payment methods, and different strategic priorities for customers in various jurisdictions and costs and difficulties associated with localizing our platform and solutions including developing products in multiple languages that are tailored for local preferences and customs;
- restrictions and prohibitions related to communications and advertising by or through online service providers;
- limitations on technology infrastructure, which could limit our ability to migrate international operations to our existing systems, which could result in increased costs;
- potentially adverse tax consequences, including higher tax rates, new tax laws or revised interpretations of existing tax laws and precedents, and the complexities of foreign value-added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates and increased exposure to global political, economic, social and environmental risks that may impact our operations or our customers' operations and/or decrease consumer spending, including inflation, tariffs, economic recession, pandemics and other global health crises, supply chain disruptions, natural disasters, acts or threats of war or terrorism and other general security concerns, such as Russia's invasion of Ukraine and the Israel-Hamas war;
- difficulties in ensuring compliance with government regulations of eCommerce and other services, which could lead to lower adoption rates;
- restrictive governmental actions, including restrictions on foreign ownership;
- expropriation or nationalization of property;
- greater liability under the laws of foreign countries for actions taken by our subsidiaries;
- fiscal recording requirements on retailers, restaurants and other businesses;
- lower levels of credit card usage and increased payment risks;
- different employer/employee relationships and labor regulations and other challenges caused by distance, language and cultural differences;
- difficulties in managing a dispersed workforce including the need to implement appropriate systems, policies, benefits and compliance programs;
- currency exchange rates or currency control regulations;
- reduced or uncertain protection for intellectual property rights in some countries;
- new and different sources of competition;
- difficulties in dealing with underdeveloped banking systems;
- being impacted by any "trade war" or counter-sanctions between governments or related retaliatory actions;

- reduced demand for our platform at historical price points; and
- lower levels of consumer spending.

These factors may cause our international costs of doing business to exceed our comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from our international business efforts could adversely affect our business, results of operations and financial condition. Some of our partners also have international operations and are also subject to these risks and if such partners are unable to appropriately manage these risks, our business, results of operations and financial condition may be adversely affected.

Our limited operating history in new and developing markets and new geographic regions makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful.

Though we launched our first solution in 2005, the majority of our revenue growth has occurred in the past several years. We also operate in new and developing markets that may not develop as we expect. This limited operating history in new and developing markets and new geographic regions and recent growth make it difficult to accurately assess our future prospects. You should consider our future prospects in light of the challenges and uncertainties that we face, including the fact that it may not be possible to discern fully the trends that we are subject to, and that elements of our business strategy are new and subject to ongoing development. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including increasing and unforeseen expenses as we continue to grow our business. If we do not manage these risks successfully, our business, results of operations and prospects will be harmed.

Our future success may depend in part upon our ability to expand into new geographic regions, whether by acquisition or otherwise, and we will face risks entering markets in which we have limited or no experience and in which we have limited or no brand recognition. It is costly to establish, develop and maintain international operations, and to promote our brand internationally. In addition, expanding into new geographic regions where foreign languages may be used will require substantial expenditures and take considerable time and attention, and we may not be successful enough in these new markets to recoup our investments in a timely manner, or at all. Our efforts to expand into new geographic regions may not be successful, which could limit our ability to grow our business.

We have in the past made, and in the futu re may make, acquisitions, investments and divestitures that could divert management's attention, result in operating difficulties and/or dilution to our shareholders and otherwise disrupt our operations and adversely affect our business, operating results or financial position.

Pursuing strategic and value-enhancing acquisitions or investment opportunities is one of our key growth strategies and has been an important contributor to our past growth. We may also evaluate and pursue potential divestiture opportunities to align with our growth strategy. Any transactions that we enter into could be material to our financial condition and results of operations. Acquisitions and integrations or divestitures could create unforeseen operating difficulties and expenditures, whether or not such transactions are ultimately completed. Acquisitions, divestitures, and investments involve a number of risks, such as:

- diversion of management time and focus from operating our business;
- use of resources that are needed in other areas of our business;
- in the case of an acquisition, implementation or remediation of controls, procedures and policies of the acquired company;
- in the case of an acquisition, difficulty integrating the accounting systems and operations of the acquired company;
- in the case of an acquisition, coordination of product, engineering and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and products and hosting infrastructure of the acquired company and difficulty converting the customers of the acquired company onto our systems, platforms and contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company;
- in the case of an acquisition, difficulty integrating, supporting or enhancing acquired product lines or services, including difficulty in transitioning acquired solutions developed with different source code architectures to our integrated platforms, difficulty in supporting feature development across our full suite of house-built and acquired solutions and strain on resources from marketing and supporting multiple platforms prior to integration;
- in the case of an acquisition, retention and integration of employees from the acquired company, and preservation of our corporate culture;
- in the case of an acquisition, reliance on certain existing executive teams of acquired companies in new industries;
- in the case of an acquisition or divestiture, difficulty delivering on our product strategy, including building a platform that enables us to drive value across our full ecosystem of merchants, suppliers and consumers;

- unforeseen costs or liabilities, including the risk of unforeseen brand or reputational harm;
- adverse effects to our existing business relationships with partners and customers as a result of the acquisition, investment or divestiture;
- the possibility of adverse tax consequences;
- in the case of an acquisition or divestiture, we may not be able to secure required regulatory approvals or otherwise satisfy closing conditions for a proposed transaction in a timely manner, or at all;
- fluctuations in the value of our investments, impairment to the value of our investments, or the failure to realize a return on such investments;
- regulatory risks, litigation or other claims inherited from or arising in connection with the acquired company, investment or divestiture;
- in the case of a divestiture, unforeseen loss of institutional knowledge, resources, know-how, or other assets;
- in the case of a divestiture, we may not be able to achieve our anticipated growth on a timely basis or at all without the divested business ;
- in the case of a divestiture, potential contractual obligations, such as change of control obligations, may be triggered, and may negatively impact our ability to execute on such divestiture, harming our business, our financial condition, or our operating results;
- in the case of a divestiture, we may retain certain liabilities or obligations related to the divested business that may arise under contract or law, or may have difficulties enforcing our rights, contractual or otherwise, against the buyer; and
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks, including foreign investment restrictions, associated with specific countries. For more information, see the risk factor titled "*Our business is susceptible to risks associated with international operations, including international sales, our presence and the use of our platform in various countries*."

In addition, a significant portion of the purchase price of companies we acquire has historically been and in the future may be allocated to acquired goodwill and other intangible assets, which must be tested at least annually for impairment in the case of goodwill and assessed for impairment in the case of other intangible assets. In the fourth quarter of Fiscal 2025 and in Fiscal 2023, there were changes in macroeconomic conditions and our share price and market capitalization decreased. We conducted impairment tests in each case that resulted in non-cash impairment charges related to goodwill. In the future, we may be required to recognize further impairment losses in our results of operations, which could impair our ability to achieve profitability in the future.

Acquisitions and investments may also result in dilutive issuances of equity securities, which could adversely affect our share price, or result in issuances of securities with superior rights and preferences to the subordinate voting shares or the incurrence of debt with restrictive covenants that limit our future uses of capital in pursuit of business opportunities. Divestitures may also not be well-received by the market, which could adversely affect our share price.

We may not be able to identify acquisition or investment opportunities that meet our strategic objectives, or to the extent that such opportunities are identified, we may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to us. In addition, the acquisitions and investments that we consummate may fail to achieve our strategic objectives, in which case we may shut down, divest, or otherwise exit the acquired business or investment, which could harm our reputation and adversely affect our financial position and results of operations.

Businesses we acquire may not have disclosure controls and procedures and internal controls over financial reporting, cybersecurity controls and data privacy compliance programs, or their existing controls and programs may be weaker than or otherwise not in conformity with ours.

We have a history of acquiring businesses of varying sizes and organizational complexities. Upon consummating an acquisition, we seek to implement our disclosure controls and procedures, our internal controls over financial reporting as well as procedures relating to cybersecurity and compliance with data privacy laws and regulations at the acquired company as promptly as possible. Depending upon the nature and scale of the business acquired, the implementation of our disclosure controls and procedures as well as the implementation of our internal controls over financial reporting at an acquired company may be a lengthy process and may divert our attention from other business operations. Our integration efforts may periodically expose deficiencies or suspected deficiencies in the controls, procedures and programs of an acquired company that were not identified in our due diligence undertaken prior to consummating the acquisition. Where there exists a risk of deficiencies in controls, procedures or programs, we may not be in a position to comply with our obligations under applicable laws, regulations, rules and listing standards or we may be required to avail

ourselves of scope limitations with respect to certifications required thereunder, and, as a result, our business and financial condition may be materially harmed.

Our use of "open source" software could negatively affect our ability to sell our solutions and subject us to possible litigation.

Our solutions incorporate and are dependent to a significant extent on the use and development of "open source" software, and we intend to continue our use and development of open source software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses, we may be subject to certain conditions, including requirements that we offer our proprietary software that incorporates the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or derivative works under the terms of the particular open source license. If an author or other third-party that uses or distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contained or are dependent upon the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our solutions. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our platform. The terms of many open source licenses to which we are subject have not been interpreted by U.S., Canadian or foreign courts. Accordingly, there is a risk that terms of these licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our solutions. The potential impact of these terms on our business is therefore uncertain and may result in unanticipated obligations regarding our solutions and technologies. It is our view that we do not distribute most of our software, since no installation of our software is necessary for many of our solutions and parts of our platform are accessible solely through the "cloud". Nevertheless, this position could be challenged. Any requirement to disclose our proprietary source code, any termination of open source license rights or any payment of damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop products and services that are similar to or better than ours.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect our business.

Although we believe that we have complied with our obligations under the various applicable licenses for open source software, it is possible that we may not be aware of all instances where open source software has been incorporated into our proprietary software or used in connection with our solutions or our corresponding obligations under open source licenses. We do not have robust open source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we are required to disclose the source code of certain of our proprietary software developments to third parties, including our competitors, in order to comply with applicable open source license terms, such disclosure could harm our intellectual property position, competitive advantage, results of operations and financial condition. In addition, to the extent that we have failed to comply with our obligations under particular licenses for open source software, we may lose the right to continue to use and exploit such open source software in connection with our operations and solutions, which could disrupt and adversely affect our business.

If our software or hardware contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle claims with our customers.

Software such as ours often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released, including as a result of the introduction of new and emerging technologies such as AI. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software bugs that we may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance, litigation and damage to our reputation and brand, any of which could have an adverse effect on our business, financial condition and results of operations. Similarly, third-party software that we incorporate into our platform may also be subject to errors, defects, security vulnerabilities or software bugs. Furthermore, our platform is a multi-tenant cloud-based system that allows us to deploy new versions and enhancements to all of our customers simultaneously. To the extent we deploy new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of our customers of a single platform simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our customers. Additionally, our hardware products may have defects in design, manufacture, or associated software. Such defects could expose us to product liability claims, product replacements or modifications, write-offs of inventory, litigation or regulatory action.

Since our customers use our services for processes that are critical to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in our platform could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our solutions.

We may be unable to achieve or maintain data transmission capacity.

Customers using our platform often draw significant numbers of consumers over short periods of time, including from events such as new product releases, holiday shopping seasons and flash sales, which significantly increases the traffic on our servers and the volume of transactions processed on our platform. Our servers may be unable to achieve or maintain data transmission capacity high enough to handle increased traffic or process requests in a timely manner. Our failure to achieve or maintain high data transmission capacity could significantly reduce demand for our solutions. Further, as our customers grow and as we continue to attract larger customers, the volume of transactions processed on our platform will increase, especially if such customers draw significant numbers of consumers over short periods of time. In the future, we may be required to allocate resources, including spending substantial amounts of money, to upgrade our technology and infrastructure in order to handle the increased load. Our ability to deliver our solutions also depends on the development and maintenance of internet infrastructure by third parties, including the maintenance of reliable networks with the necessary speed, data capacity and bandwidth. If one of these third parties suffers from capacity constraints, our business may be adversely affected. In addition, because we and our customers historically generate a disproportionate amount of revenue in our fiscal third quarter, any disruption in our customers' ability to process and fulfill customer orders in the fiscal third quarter could have a disproportionately negative effect on our transaction-based revenues and our operating results.

Portions of our platform use a single cloud service provider to deliver services. Any disruption of services from our cloud service providers could harm our business.

We currently host our platform and support our operations on multiple data centers provided by limited cloud service providers, including AWS and Google Cloud Platform ("**GCP**"). We do not have control over the operations of the facilities AWS or GCP use. If, for any reason, we are required to migrate our computing to another cloud service provider, such a transition could require significant time and expense and our business could be adversely impacted.

Neither AWS nor GCP guarantee that access to our platform will be uninterrupted or error-free. Any damage to, or failure of, our providers' systems could result in interruptions to our platform. Interruptions in our services would reduce our revenue, subject us to potential liability and adversely affect our ability to retain our customers or attract new customers and would also impact our relationships with partners and consumers using applications integrated into our platform. The performance, reliability and availability of our platform is critical to our reputation and our ability to attract and retain customers, suppliers, and consumers with whom we have a direct relationship. If service interruptions occur customers, suppliers or consumers have in the past and may in the future share information about negative experiences on social media, which could result in damage to our reputation and loss of future sales. In addition, the hosting costs for our cloud services have increased over time and may increase further if we continue to require more computing or storage capacity and such capacity may not be available on the same terms or with the same costs or at all. These costs could adversely impact our business and financial condition.

We rely on the integration of third-party payment processing solutions.

A portion of our customers use integrated payment processing solutions referred to them by us. Such solutions are provided by third-party payment processors who in many cases pay us a share of revenues derived from their relationship with our customer or referral fees. While we prefer our customers use our own unified payments solutions over such integrated third-party payment processing solutions, in certain circumstances we will need to refer customers to such integrated third-party payment processing solutions for the purpose of providing our customers with comprehensive platform offerings. Given that the reliability of the payment facilities used by our customers is critical to the management of their businesses, any performance interruption, delay or failure affecting the payment processing solutions with which we integrate could harm our brand, reputation and ability to attract, retain and serve our customers. We have no control over the operations of our payment processing partners and our ability to expeditiously remediate any such performance interruption, delay or failure is limited. Although we continue to expand the availability of our payments solutions, we expect that integrated payment processing solutions will remain in use with a number of customers over the foreseeable future. As such, if we fail to maintain integration partnerships with dependable third-party payment processors, we may not be able to offer an important functionality that our customers and their consumers expect, which would negatively impact our offerings and, as a result, harm our business and results of operations.

We rely on computer hardware, purchased or leased, and software licensed from and services rendered by third parties in order to run our business.

We rely on computer hardware, purchased or leased, and software licensed from and services rendered by third parties in order to run our business, sometimes by a single-source supplier or from a limited number of suppliers. Third-party hardware, software and services may not continue to be available on commercially reasonable terms, may give preferential treatment to competitors' services (including their own services), or may not be available at all. Any loss of the right to use or any failures of third-party hardware, software or services could result in delays in our ability to run our business until equivalent hardware, software or services are developed by us or, if available, identified, obtained and integrated, which could be costly and time-consuming and may not result in an equivalent solution, any of which could cause an adverse effect on our business and operating results. Further, customers could assert claims against us in connection with service disruptions or cease conducting business with us altogether. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our solutions.

If we do not maintain the compatibility of our solutions with third-party applications and operating systems that our customers use or the fiscal recording requirements they are required to comply with in their business processes, demand for our solutions could decline.

Our solutions can be used alongside a wide range of other systems, such as enterprise software systems and business software applications used by our customers in their businesses. If we do not support the continued integration of our solutions with third-party applications, including through the provision of application programming interfaces that enable data to be transferred readily between our solutions and third-party applications, demand for our solutions could decline, and we could lose new and existing customers. We will also be required to make our solutions compatible with new or additional third-party applications that are introduced into the markets that we serve. We may not be successful in making our solutions compatible with these third-party applications, which could reduce demand for our solutions and adversely affect our revenues. In addition, prospective customers, especially larger customers (including those that we intend to pursue and grow), may require heavily customized features and functions unique to their business processes. If prospective customers require customized features or functions that we do not offer, then the market for our solutions will be adversely affected. In certain cases the solutions we provide require the use of products sold by particular suppliers. Demand for our solutions and our resulting revenues are therefore partially dependent on the success, prevalence and adoption of such suppliers' products by our customers.

In addition, certain jurisdictions impose and other jurisdictions may introduce in the future fiscal recording requirements on retailers, restaurants and other businesses, such as the mandatory use of sales recording modules or equivalent cloud solutions. Such fiscal recording requirements are particularly prevalent in Europe, which is a significant focus area for our growth strategy for restaurateurs. If our POS platform and other solutions fail to comply or to support our customers' compliance with fiscal recording requirements applicable in a jurisdiction, we may be unable to attract or retain customers in such jurisdiction, which would harm our business.

Our business and prospects would be harmed if changes to technologies used in our platform or new versions or upgrades of operating systems and internet browsers adversely impact the process by which our customers and their consumers interface with our platform.

We believe the simple and straightforward interface for our platform has helped us to expand and offer our solutions to customers with limited technical expertise. In the future, providers of operating systems or internet browsers could introduce new features that would make it difficult for customers to use our platform. In addition, operating systems or internet browsers for desktop, tablets or mobile devices could introduce new features, change existing browser specifications such that they would be incompatible with our platform, or prevent consumers from accessing our customers' businesses. Any changes to technologies used in our platform, to existing features that we rely on, or to operating systems or internet browsers that make it difficult for customers to access our platform or consumers to access our customers' businesses, may make it more difficult for us to maintain or increase our revenues and could adversely impact our business and prospects.

Mobile devices are increasingly being used to conduct commerce, and if our solutions do not operate as effectively when accessed through these devices, our customers and their consumers may not be satisfied with our services, which could harm our business.

Commerce transacted over mobile devices continues to grow rapidly. We are dependent on the interoperability of our platform, including our payments solutions, with third-party mobile devices and mobile operating systems as well as web browsers that we do not control. Any changes or technical issues in such devices, systems or web browsers that degrade the functionality of our platform or solutions, reduce our ability to update or distribute solutions, or give preferential treatment to competitive services could adversely affect usage of our platform. Mobile commerce is a key element in Lightspeed's strategy and effective mobile functionality is integral to our long-term development and growth strategy. In the event that our customers and their consumers have difficulty accessing and using our platform on mobile devices, our business and operating results could be adversely affected.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology.

Our trade secrets, trademarks, domain names, patents and other intellectual property rights are important to our business. We rely on, and expect to continue to rely on, a combination of confidentiality clauses, assignment agreements and license agreements with employees and third parties, patents, trade secrets, copyrights and trademarks to protect our intellectual property, brand and competitive advantage, all of which offer only limited protection. The steps we take to protect our intellectual property require significant resources and may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. We may be required to use significant resources to monitor and protect these rights. Despite our precautions, it may be possible for unauthorized third parties to copy our platform and use information that we regard as proprietary to create services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our proprietary information may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect intellectual property rights to the same extent as the laws of Canada and the United States. We expect to continue to expand internationally and, in some foreign countries, the mechanisms for enforcement of intellectual property rights may be inadequate to protect our technology. We may not be able to acquire or maintain appropriate domain names in all countries in which we do business, or prevent third parties from acquiring domain names that may be used to impersonate us, our partners, or our merchants, or that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. Furthermore, regulations governing domain names may not protect our trademarks or similar proprietary rights. If we are unable to protect our domain names, our brand recognition and reputation could suffer, and we may incur significant expenses establishing new brands or protecting and maintaining rights in existing domain names, which could negatively impact our operating results.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in securing ownership of our intellectual property or controlling access to our proprietary information and trade secrets. The confidentiality agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets or proprietary technology. Further, these agreements do not prevent our competitors or others from independently developing software that is substantially equivalent or superior to our software. In addition, others may independently discover our trade secrets and confidential information, and in such cases, we likely would not be able to assert any trade secret rights against such parties. Additionally, we may from time to time be subject to opposition or similar proceedings with respect to applications for registrations of our intellectual property, including our trademarks. While we aim to acquire adequate protection of our brand through trademark registrations in key markets, occasionally third parties may have already registered or otherwise acquired rights to identical or similar marks for services that also address our market. We rely on our brand and trademarks to identify our platform and to differentiate our platform and services from those of our competitors, and if we are unable to adequately protect our trademarks, third parties may use our brand names or trademarks similar to ours in a manner that may cause confusion in the market, which could decrease the value of our brand and adversely affect our business and competitive advantages.

Policing unauthorized use of our intellectual property and misappropriation of our technology and trade secrets is difficult and we may not always be aware of such unauthorized use or misappropriation. Further, the laws and enforcement mechanisms to protect our intellectual property from unauthorized use in new technologies like AI and other machine learning technology are evolving and may be inadequate. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop services with the same or similar functionality as our platform. If our competitors infringe, misappropriate or otherwise misuse our intellectual property rights and we are not adequately protected, or if our competitors are able to develop a platform with the same or similar functionality as ours without infringing our intellectual property, our competitive advantage and results of operations could be harmed. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. As a result, we may be aware of infringement by our competitors but may choose not to bring litigation to enforce our intellectual property rights due to the cost, time and distraction of bringing such litigation. Furthermore, if we do decide to bring litigation, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits challenging or opposing our right to use and otherwise exploit particular intellectual property, services and technology or the enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our platform, prevent or delay introductions of new or enhanced solutions, result in our substituting inferior or more costly technologies into our platform or injure our reputation. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to developing and protecting their technology or intellectual property rights than we do.

We have been, and may in the future b e, subject to claims by third parties of intellectual property infringement, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

The industries in which we operate are characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents, copyright and other intellectual property rights. Third parties have asserted and may in the future assert that our platform, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Additionally, non-practicing entities obtaining intellectual property assets for the purpose of making claims of infringement have attempted to extract settlements from companies like ours. The risk of claims may increase as the number of solutions that we offer, the geographies we operate in and competitors in our market increases and overlaps occur. In addition, to the extent that we gain greater visibility and market exposure, we face a higher risk of being the subject of intellectual property infringement claims. See “Legal Proceedings and Regulatory Actions”.

Third parties may assert that we are directly or secondarily liable because a customer or partner offered or sold products or services, or engaged in other conduct that infringes, misappropriates, or otherwise violates their intellectual property or other proprietary rights. Third parties may assert that we are not protected by laws or legal doctrines allowing a safe harbor to platforms for infringing content posted by the platform's users.

Any such claims, regardless of merit, that result in litigation could result in substantial expenses, divert the attention of management, cause significant delays in introducing new or enhanced services or technology, materially disrupt the conduct of our business and have a material and adverse effect on our brand, business, financial condition and results of operations. Although we do not believe that our proprietary technology, processes and methods have been registered by any third party, it is possible that intellectual property rights have been issued to third parties that cover all or a portion of our business. As a consequence of any patent or other intellectual property claims, we could be required to pay substantial damages, develop non-infringing technology, enter into royalty-bearing licensing agreements, stop selling or marketing some or all of our solutions, re-brand our solutions or end our relationship with certain customers or partners. We may also be obligated to indemnify our customers or partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. If it appears necessary, we may seek to secure license rights to intellectual property that we are alleged to infringe at a significant cost, potentially even if we believe such claims to be without merit. If required licenses cannot be obtained, or if existing licenses are not renewed, litigation could result. Litigation is inherently uncertain and can cause us to expend significant money, time and attention to it, even if we are ultimately successful. Any adverse decision could result in a loss of our proprietary rights, subject us to significant liabilities, require us to seek licenses for alternative technologies from third parties, prevent us from offering all or a portion of our solutions, end our relationship with certain merchants or partners, and otherwise negatively affect our business and operating results.

We are dependent on the continued services and performance of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and contributions of our senior management and other key employees to execute on our business plan, including our transformation plan, and to identify and pursue new opportunities and product innovations. The failure to properly manage succession plans, develop leadership talent and/or the loss of services of senior management or other key employees could significantly delay or prevent the achievement of our strategic objectives. From time to time, there have been and may in the future be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. Departing executives could decide to join a competitor or otherwise compete with us. The loss of the services of one or more of our senior management or other key employees for any reason could adversely affect our business, financial condition and operating results and require significant amounts of time, training and resources to find suitable replacements and integrate them within our business, and could adversely affect our corporate culture. If we are unable to retain certain senior management and other key employees or otherwise timely and successfully execute our recently announced transformation plan our business, operating results and financial condition could be adversely affected.

From time to time, we are or may become defendants in legal proceedings as to which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment.

From time to time, we are or may become involved in various legal proceedings, including commercial, marketing and communications practices, product liability, employment, corporate and securities matters, privacy, alleged infringement of third-party patents and other intellectual property rights, class action and other litigation and claims, as well as governmental and other regulatory inquiries, investigations, audits and proceedings. Such matters, whether meritorious or not, can be time-consuming, divert management’s attention and resources and cause us to incur significant expenses. Determining reserves for our pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more of such proceedings could result in substantial damages, settlement costs, fines and penalties.

The number and significance of our legal disputes and inquiries have increased as we have grown larger, as our business has expanded in scope and geographic reach, and as our products and services have increased in complexity, and we expect that we will continue to face additional legal disputes as we continue to grow and expand, particularly during periods of heightened volatility in the capital markets and in the market price of our subordinate voting shares. We also receive significant media attention, which could result in increased litigation or other legal or regulatory reviews and proceedings. In addition, our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could expose us to increased risks that would be uninsured, and adversely impact our ability to attract directors and officers. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition. See “Legal Proceedings and Regulatory Actions”.

New tax laws could be enacted or existing laws could be applied to us or our customers, which could increase the costs of our solutions and adversely impact our business.

With sales and operations in various countries, we are subject to multiple forms of taxation in many jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The application of federal, state, provincial, local and foreign tax laws to solutions provided over the internet is evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to solutions provided over the internet. Such enactments could affect our effective tax rates and overall tax liability as well as the taxes applicable to our customers or require us or our customers to pay fines or penalties, as well as interest for past amounts. These enactments could adversely affect our sales activity due to the inherent cost increase the taxes would represent, and could ultimately result in a negative impact on our results of operations and cash flows.

The Inflation Reduction Act, or IRA, which was enacted in the United States in August 2022, included provisions for a 15% minimum tax on adjusted financial statement income of certain large corporations. Further, a tax has been enacted in Canada that imposes a 2% tax on share buybacks in Canada. Additionally, various countries, including countries where we operate our business, are actively considering or have proposed or enacted changes to their tax legislation following the Organization for Economic Cooperation and Development's adoption of model rules for 15% global minimum tax (often referred to as Pillar II). These recent tax developments could increase our future tax liability or require adjustments in our operational strategies, which in turn could adversely impact our business and future profitability.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.

We are subject to multiple forms of taxation in many jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations.

In addition, the authorities in several jurisdictions could review our tax returns and impose additional tax, interest and penalties, which could have an impact on us and on our results of operations. Although we believe that our tax estimates are reasonable, the final determination of any tax audits or litigation could be materially different from our historical tax provisions and accruals, the content of our tax filings or tax positions, which could result in additional tax, interest and penalties on us, which could have an impact on our results of operations. We and some of the companies we have acquired participate in government programs that provide investment tax credits based upon qualifying research and development expenditures, headcount increases, or other government-targeted incentives. If taxation authorities successfully challenge such expenses or the correctness of such tax credits claimed, our historical operating results could be adversely affected.

Our future effective tax rates could be subject to volatility or adversely affected by a number of factors.

Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in business operations including entry into new businesses, products and geographies and increased sales or hiring in new geographies;
- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of share-based compensation including as a result of settlement methods for equity incentives and the price of our subordinate voting shares;

- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

We currently conduct activities in the United States and other jurisdictions through our subsidiaries pursuant to transfer pricing arrangements and may in the future conduct operations in other jurisdictions pursuant to similar arrangements. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. Similarly, we may be subject to income tax in jurisdictions if tax authorities argue that our in-country activities could constitute a permanent establishment.

From time to time tax authorities seek to assess business taxes, sales and use taxes and other indirect taxes. If we are required to collect such taxes in additional jurisdictions, we might be subject to tax liability for past sales.

There is a risk that various jurisdictions could assert that we are liable for business activity taxes, which are levied upon income or gross receipts, or for the collection of local sales and use taxes or other indirect taxes. This risk exists regardless of whether we are subject to federal, state, provincial or local income tax. Tax authorities are becoming increasingly active in asserting nexus for business activity tax purposes and imposing sales and use taxes and other indirect taxes on products and services provided over the internet. We may be subject to indirect taxes if a local tax authority asserts that our activities or the activities of our subsidiaries are sufficient to establish nexus. We could also be liable for the collection of indirect taxes if a local tax authority asserts that distribution of our solutions over the internet is subject to indirect taxes. Each jurisdiction has different rules and regulations governing indirect taxes, and these rules and regulations are subject to varying interpretations that change over time. We review these rules and regulations periodically and, when we believe we are subject to sales and use taxes in a particular state, voluntarily engage state and local tax authorities in order to determine how to comply with their rules and regulations.

A recent global trend has seen many jurisdictions enacting or considering enacting tax legislation (typically referred to as "Marketplace Facilitator" laws) that enables tax authorities to shift the sales tax collection and remittance obligations from a third-party seller to the company that provides the online platform to the third-party seller making the sale. If any of our products fall within the scope of such legislation, we may be subject to sales tax collection and remittance obligations. We are monitoring the developments in each relevant jurisdiction, the full impact of which remains uncertain. Any failure by us to prepare for and to comply with these and similar reporting and record-keeping obligations, to the extent they are applicable to us, could result in substantial monetary penalties and other sanctions, adversely impact our ability to do business in certain jurisdictions, and harm our business.

A successful assertion by one or more jurisdictions could also result in tax assessments, penalties, and interest, and we may be required to collect sales or other taxes in the future on subscription revenue which could result in substantial tax liabilities for past transactions and otherwise harm our business. We cannot be certain that we will not be subject to indirect taxes or related penalties for past sales in jurisdictions where we currently believe no such taxes are required. New obligations to collect or pay taxes of any kind could increase our cost of doing business.

We may not be able to utilize a significant portion of our net operating loss ("NOL"), which could adversely affect our potential profitability.

We have NOLs due to prior period losses. These NOLs, and NOLs of companies we have acquired and may in the future acquire, could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our potential profitability.

Failure to effectively expand and adapt our go-to-market capabilities could harm our ability to achieve broader market acceptance of our platform.

Achieving broader market acceptance of our platform, particularly among high GTV retailers and restaurateurs, will depend, in part, on our ability to effectively expand and adapt our go-to-market operations and activities among retail customers in North America and hospitality customers in Europe. We are substantially dependent on our online marketing efforts and on our direct sales force to obtain new customers. Our go-to-market organization has expanded over time, and we plan to continue to scale our outbound go-to-market motions as part of our strategy. We plan to continue to expand core roles in our go-to-market labour force, both domestically and internationally, with a focus on retail customers in North America and hospitality customers in Europe, to help support disciplined growth. Our ability to achieve significant revenue growth in the future will depend, in part, on our success in recruiting, training and

retaining a sufficient number of experienced go-to-market professionals. New hires require significant training and time before they achieve full productivity, particularly for outbound, including field sales, personnel and in new verticals and territories. Our recent and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business on a timely basis or at all. We also may not achieve anticipated growth in revenues from our partners if we are unable to attract and retain additional motivated partners, if any existing or future channel partners fail to successfully market, resell, implement or support our platform for their customers, if we fail to effectively collect revenues owed to us by partners, or if our partners represent multiple providers and devote greater resources to market, resell, implement and support the products and solutions of these other providers. Because we do not have a long history of expanding and adapting our go-to-market labour force, particularly with respect to our outbound and field sales motions, we cannot predict whether, or to what extent, our sales will increase as we expand and adapt our go-to-market labour force or how long it will take for personnel to become productive. If our go-to-market initiatives do not generate a significant increase in revenue, our business and future growth prospects could be harmed.

We rely on search engines, advertising on the internet and social networking sites to attract a meaningful portion of our customers. If we are not able to generate traffic to our website through search engines, advertising on the Internet and social networking sites, our ability to attract new customers may be impaired. In addition, if our customers are not able to generate traffic to their stores, restaurants and websites through search engines, advertising on the Internet and social networking sites, their ability to attract consumers may be impaired.

Many of our customers find our business through internet search engines, such as Google, advertisements online and on social networking sites, such as Facebook. The prominence of our website in response to internet searches is a critical factor in attracting potential customers to our platform. If we are listed less prominently or fail to appear in search results for any reason, visits to our website could decline significantly, and we may not be able to replace this traffic.

Similarly, many consumers locate our customers' businesses through internet search engines, advertisements online and social networking sites. If our customers are listed less prominently or fail to appear in search results for any reason, visits to our customers' stores, restaurants and websites could decline significantly. As a result, our customers' businesses may suffer, which would affect the GTV and payments that they process through our platform and could affect the ability of such customers to pay for our solutions or adversely affect our transaction-based revenues.

Search engines revise their algorithms from time to time in an attempt to optimize their search results. If search engines modify their algorithms, our website and our customers' websites may appear less prominently or not at all in search results, which could result in reduced traffic to our website and to our customers' stores, restaurants and websites.

Additionally, the price of marketing our solutions over search engines or social networking sites in certain cases has increased in the past and may continue to increase, and we may incur additional marketing expenses or may be required to allocate a larger portion of our marketing spend to search engine marketing and our business and operating results could be adversely affected. Furthermore, competitors may in the future bid on the search terms that we use to drive traffic to our website. Such actions could increase our marketing costs and result in decreased traffic to our website. In addition, search engines or social networking sites may change their advertising policies from time to time. If any change to these policies delays or prevents us from advertising through these channels, it could result in reduced traffic to our website and sales of our solutions. Certain of the search engines or social networking sites we rely on may become restricted or prohibited in certain geographies. As well, new search engines or social networking sites may develop in a way, particularly in specific jurisdictions, that reduce traffic on existing search engines and social networking sites and if we are not able to achieve awareness through advertising or otherwise, we may not achieve significant traffic to our website through these new platforms. If we are unable to continue to successfully promote and maintain our websites, or if we incur excessive expenses to do so, our business and operating results could be adversely affected.

As part of our transformation strategy we are shifting from paid advertising to more targeted outbound efforts, as we believe this facilitates acquiring our ideal customer profile in our growth engines which focus on retail customers in North America and hospitality customers in Europe. We may not be able to cost-effectively or successfully implement this shift, which could harm our business, operating results and financial condition.

Activities of customers or partners or the content of our customers' shops could damage our brand, subject us to liability, and harm our business and financial results.

Our terms of service and acceptable use policy prohibit our customers and our partners from using our platform to engage in illegal or otherwise prohibited activities and our terms of service and acceptable use policy permit us to terminate a customer's shop or a partner's account if we become aware of such use. Customers or partners have in the past and may in the future nonetheless engage in prohibited or illegal activities or upload store content in violation of our terms, policy and applicable laws and regulations, without our knowledge, which could subject us to liability. Furthermore, our brand and reputation may be negatively impacted by the actions of

customers or partners that are deemed to be hostile, offensive, inappropriate or illegal. While we use technology to monitor for compliance with or eligibility for certain Lightspeed offerings, we do not proactively monitor and comprehensively monitor or review the appropriateness of all the content on our customers' shops in connection with our services and we do not have control over customer activities or the activities in which our customers' consumers engage. The safeguards we have in place may not be sufficient for us to avoid liability or avoid harm to our brand and reputation, especially if such hostile, offensive, inappropriate or illegal use is high profile, which could adversely affect our business and financial results. Customers using the platform may also operate businesses in regulated industries, which are subject to additional scrutiny, increasing the potential liability we could incur. In addition, due to our international expansion, we may be subject to international actions alleging that customers' store content violate laws in foreign jurisdictions, which could negatively affect our business and operations. The laws relating to the liability of online service providers are evolving and subject to challenge including claims related to defamation, libel, breach of contract, invasion of privacy, negligence, copyright or trademark infringement. Developments in these laws in various jurisdictions could subject us to liability, penalties or restrictions on our business.

We are subject to export and import controls and anti-corruption and economic sanctions laws that could impair our ability to offer our platform internationally or subject us to liability if we are not in compliance with applicable laws.

As a result of our international operations, we and the companies we have acquired are subject to a number of Canadian, U.S. and foreign laws relating to anti-corruption, anti-money laundering, economic sanctions and to export and import controls which presently limit and could limit further our ability to offer our platform in certain jurisdictions or to certain customers. In addition, the export of our technology, hardware or software in certain jurisdictions may require governmental authorizations. Various jurisdictions also regulate the import of certain encryption technology, including imposing import permitting and licensing requirements, and have enacted laws that limit our ability to offer our platform in those countries. Complying with export or import controls and anti-corruption, anti-money laundering and economic sanctions laws may be time-consuming and result in the delay or loss of business opportunities.

Our business operates in the payments industry which results in higher risk of potential money-laundering activities by third parties and could result in liability for us if our employees and partners fail to prevent or otherwise facilitate, aid or abet activity. Despite operating pursuant to anti-money laundering programs designed to prevent such occurrences, we may assist in the opening of an account or processing of a payment for a person on a prohibited party list.

Any change in export or import controls, anti-corruption laws, anti-money laundering laws, economic sanctions or related legislation, or change in the countries, governments, persons, or technologies targeted by such restrictions or legislation, could result in decreased use of our platform by customers or in our decreased ability to offer our platform internationally, which would harm our business, operating results and financial condition. Furthermore, failure by us or our partners or customers to comply with export or import controls or with anti-corruption, anti-money laundering or economic sanctions laws may expose us to government investigations, more onerous compliance requirements and significant civil or criminal penalties, which could harm our business, operating results and financial condition. Furthermore, this could also result in us facing liability under our contracts with third parties, which could significantly affect our ability to conduct some aspects of our business.

Sanctions and export controls have also been imposed by the United States, Canada and other countries in connection with Russia's invasion of Ukraine, including restrictions on selling or importing goods, services or technology in or from certain regions, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia and Belarus. It is possible that we, our partners or our customers may inadvertently and without our knowledge provide solutions or services to individuals or entities that have been designated by OFAC or other relevant sanctions authorities that are located in a jurisdiction subject to comprehensive sanctions by the United States, Canada or another country in which we do business, and providing such solutions or services may not be in compliance with applicable economic sanctions or export control regulations. As the situation develops and the regulatory environment continues to evolve, we have and may continue to adjust our business practices as required by applicable rules and regulations.

Our insurance costs have in the past and may in the future increase significa ntly, we may be unable to obtain the same level of insurance coverage and our insurance coverage may not be adequate to cover all possible losses we may suffer.

We generally renew our insurance policies annually. If the cost of coverage becomes too high or if we believe certain coverage becomes inapplicable, we may need to reduce our policy limits, increase retention amounts or agree to certain exclusions from our coverage or other changes to the terms and conditions of our coverage to reduce the premiums to an acceptable amount or to otherwise reduce coverage for certain occurrences. On the other hand, we may determine that we either do not have certain coverage that would be prudent for our business and the risks associated with our business or that our current coverages are too low to adequately cover

such risks and increase our coverage. In either event, we may incur additional or higher premiums for such coverage than in prior years.

Among other factors, national and international security concerns including the Israel-Hamas war and retaliatory cyberattacks stemming from or related to Russia's invasion of Ukraine, catastrophic events, trade wars, pandemics and other global health crises, or any changes in any applicable statutory requirement binding insurance carriers to offer certain types of coverage have in the past and may in the future adversely affect available insurance coverage and result in, among other things, increased premiums on available coverage (which may cause us to elect to reduce our policy limits or not renew our coverage) and additional exclusions from coverage. As cyber incidents and threats continue to evolve, including as a result of emerging technologies such as AI, we may be required to expend additional, perhaps significant, resources to continue to update, modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. Although we maintain and monitor our information technology systems and we have insurance coverage for protecting against cybersecurity risks, such systems and insurance coverage may not be sufficient to protect against or cover all the losses we may experience as a result of any cyberattacks.

We may suffer damage due to a casualty loss (such as fire, natural disasters, pandemics and acts of war or terrorism) or other losses, such as those related to labor, professional liability or certain actions or inactions by our management, directors, employees or others, that could severely disrupt our business or subject us to claims by third parties who are injured or harmed. Although we maintain insurance that we believe to be adequate, such insurance may be inadequate or unavailable to cover all the risks to which our business and assets may be exposed, including risks related to certain litigation. Further, our insurers could deny coverage for a claim. Additionally, if any of our insurance providers becomes insolvent, they would be unable to pay claims that we make. Further, some of our agreements with customers or partners may require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these agreements. Should an uninsured loss (including a loss that is less than the applicable deductible or that is not covered by insurance) or loss in excess of insured limits occur, it could have a significant adverse impact on our business, results of operations or financial condition.

We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our platform, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business at the rate desired and our results of operations may suffer. In addition, any financing through issuances of equity securities would be dilutive to holders of our shares, and any new securities we issue could have rights, preferences and privileges superior to those of holders of our subordinate voting shares. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Provisions of our present and future debt instruments may restrict our ability to pursue business strategies.

We currently have a revolving operating credit facility (" **Revolver**"), which is collateralized by substantially all of our assets. Our Revolver requires us, and any debt instruments we may enter into in the future may require us, to comply with certain covenants that limit our ability to, among other things:

- dispose of certain assets;
- complete certain mergers or acquisitions or change of control transactions; and
- engage in any business other than that in which we currently engage.

These restrictions could inhibit our ability to pursue our business strategies. If we default under our Revolver, and such event of default is not cured or waived, the lenders could terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately. We may also incur additional indebtedness in the future. The instruments governing such indebtedness could contain provisions that are more restrictive than those to which we are presently subject. A default under the Revolver could also lead to a default under agreements governing any future indebtedness. If we are unable to repay, refinance or restructure our indebtedness when payment is due, the lenders could proceed against the collateral granted to them to secure such indebtedness, as applicable, or force us into bankruptcy or liquidation.

Exchange rate fluctuations have and may in the future negatively affect our results of operations.

Exchange rate fluctuations may negatively affect our results of operations. Our presentation and functional currency is the U.S. dollar. Even though we derive the largest portion of our revenues in U.S. dollars and the largest portion of our expenses in U.S. dollars , a portion of our revenues and expenses are also derived in foreign currencies. As a result, exchange rate fluctuations have and may in the future continue to negatively affect our revenue as our software subscriptions are generally billed in the local currency of the country in which the customer is located, and the underlying GTV and GPV (from which we earn transaction-based revenue) is also expected to be denominated in local currency. To the extent that we have significant revenues denominated in foreign currencies, any strengthening of the U.S. dollar would reduce our revenues as measured in U.S. dollars. Our head office and a significant portion of our employees are located in Canada, along with additional presence in the United States, Europe, Australia and New Zealand. In addition to U.S. dollars, a large amount of our expenses are incurred in Canadian dollars and Euros with a smaller proportion of expenses incurred in other foreign currencies. As a result, our expenses may be adversely impacted by a decrease in the value of the U.S. dollar relative to these currencies but primarily the Canadian dollar and the Euro.

We have a hedging program to mitigate the impact of foreign currency fluctuations on future cash flows and expenses by entering into foreign exchange forward contracts which we have designated as cash flow hedges. Our hedging program does not mitigate the impact of foreign currency fluctuations on our revenue. We do not have foreign exchange forward contracts in place with respect to all currencies in which we currently do business but may, from time to time, enter into additional foreign exchange forward contracts in respect of other foreign currencies. Currency hedging entails a risk of illiquidity and, to the extent that the applicable foreign currency fluctuates in value against the U.S. dollar, the use of hedges could result in losses greater than if the hedging had not been used. There can be no assurance that our hedging strategies, if any, will be effective in the future or that we will be able to enter into foreign exchange forward contracts on satisfactory terms.

We are dependent upon customers' and consumers' continued and unimpeded access to the internet, and upon their willingness to use the internet for commerce.

Our success depends upon the general public's ability to access the internet, including through mobile devices, and its continued willingness to use the internet to pay for purchases, communicate, access social media, research and conduct commercial transactions. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for our platform, increase our operating costs, or otherwise adversely affect our business. Given uncertainty around these rules, we could experience discriminatory or anti-competitive practices that could impede both our and our customers' growth, increase our costs or adversely affect our business. In the future, providers of internet browsers could introduce new features that would make it difficult for customers to use our platform. In addition, internet browsers for desktop, tablets or mobile devices could introduce new features, or change existing browser specifications, such that they would be incompatible with our platform. If customers or their consumers become unable, unwilling or less willing to use the internet for commerce for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to customers' or consumers' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, our business could be adversely affected.

Changes in accounting standards and interpretations, and our adoption thereof, as well as subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition.

IFRS accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regards to a wide range of matters that are relevant to our business, including revenue recognition, impairment of goodwill and intangible assets, income taxes, provisions, share-based compensation and internally generated intangible assets, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with IFRS.

Further, our implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect our reported financial position or operating results or cause unanticipated fluctuations in our reported operating results in future periods.

We have suffered losses due to goodwill impairment and may in the future suffer further losses due to impairment charges.

We have incurred non-cash impairment charges for goodwill and may incur further impairment charges which would negatively impact our operating results. We account for goodwill impairment in accordance with IAS 36, Impairment of Assets, which among other things, requires that goodwill be tested for impairment at least annually. During the three months ended March 31, 2025, there were changes in macroeconomic conditions and the Company's share price and market capitalization decreased. This led to the carrying amount of the Company's net assets exceeding the Company's market capitalization as at March 31, 2025. This triggered an

impairment test to be performed on the Company's goodwill for its operating segment (the "Segment"), which is the level at which management monitors goodwill. Our test as at March 31, 2025 resulted in a non-cash impairment charge related to goodwill during the three months ended March 31, 2025 as the terminal value multiple was negatively impacted by the macroeconomic conditions, and the Company's revenue growth rate was negatively impacted by the macroeconomic impact on our customers' sales.

If the carrying value of the Segment is below the Segment's recoverable amount in the future, we may have to recognize further goodwill impairment losses in our results of operations in future periods. This could impair our ability to achieve profitability in the future. Goodwill is more susceptible to impairment risk if business operating results or economic conditions deteriorate. We are required to perform our next annual goodwill impairment analysis on December 31, 2025, or earlier should there be a goodwill impairment trigger before then. For additional information, refer to note 16 of our audited annual consolidated financial statements for Fiscal 2025.

Climate change may have an adverse impact on our business.

While we seek to mitigate our business risks associated with climate change by establishing environmental programs and partnering with organizations who are also focused on mitigating their own climate-related risks, we recognize that there are inherent climate-related risks wherever business is conducted. Any of our primary locations or third-party data centers may be vulnerable to the adverse effects of climate change. Furthermore, it is more difficult to mitigate the impact of these events on our employees that work from home. Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in the U.S., Canada and elsewhere have the potential to disrupt our business, the business of our third-party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. In particular, we rely on data centers to deliver our solutions, which consume significant amounts of energy. To the extent that energy prices increase as a result of carbon pricing or other measures, this could affect our cost structure.

New laws and regulations relating to environmental, social and governance ("ESG") matters, including climate change, human capital, and diversity, such as the European Union's Corporate Sustainability Reporting Directive, have been implemented or proposed in various jurisdictions in which we operate. These regulations or proposed regulations may entail specific, target-driven frameworks and other disclosure requirements. Failure to uphold, meet or make timely forward progress against any public commitments and goals we set or mandates by regulators related to climate action could adversely affect our business, brand, financial performance or ability to recruit and retain talent.

Risks Related to Ownership of the Subordinate Voting Shares

The market price of our subordinate voting shares has been and may continue to be volatile and your investment could suffer or decline in value.

The market price of our subordinate voting shares has fluctuated significantly and we expect it to fluctuate in the future, and it may decline. For example, from March 31, 2024 to March 31, 2025, our closing share price on the NYSE has ranged from $8.75 (lowest) to $18.80 (highest). We cannot assure you that an active trading market for our subordinate voting shares will be sustained, and we therefore cannot assure you that you will be able to sell your subordinate voting shares when you would like to do so, or that you will obtain your desired price for your shares, and you could lose all or part of your investment. Some of the factors that may cause the market price of our subordinate voting shares to fluctuate include, but are not limited to:

- market risk due to inflation, tariffs, trade wars, or other trade conditions, changes in interest rates, exchange rates, changes in consumer spending, geopolitical events, or recessions;
- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- changes in pricing or product strategies by us or our competitors, including our decision to require eligible new and existing customers to adopt our payments solutions;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, short sell reports or any activity related to short selling, hedging and other derivative transactions in our subordinate voting shares;
- technical factors in the public trading market for our subordinate voting shares that may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of

retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our subordinate voting shares, access to margin debt, trading in options and other derivatives on our subordinate voting shares and other technical trading factors;

- pending or threatened litigation or regulatory actions against us;
- breaches of security or privacy incidents, and the costs associated with any such breaches and remediation;
- developments or disputes concerning our intellectual property rights, our products, or third-party proprietary rights;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with applicable securities regulators, including our financial statements;
- publication of research reports or news stories about us, our competitors or our industry;
- the impact of our share repurchase program and initiatives to return capital to shareholders;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends, including as a result of changes in administrations in the U.S., Canada and Europe, or events arising out of or related to Russia's invasion of Ukraine or the Israel-Hamas war, and the market reactions thereto;
- sales of our subordinate voting shares by existing shareholders;
- recruitment or departure of senior management or key personnel;
- significant acquisitions or business combinations, divestitures, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- adverse market reaction to the results of our strategic review and our transformation strategy including focusing on growth among retail customers in North America and hospitality customers in Europe;
- the impact of any external stakeholder activism; and
- the other risk factors described in this section of the AIF.

Additionally, these factors, as well as other related factors, have and may in the future cause further decreases in asset values, such as our goodwill, that are deemed to be other than temporary, which may result in further impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, social and governance practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in our subordinate voting shares by those institutions, which could materially adversely affect the trading price of our subordinate voting shares.

In addition, the stock markets have historically experienced substantial price and volume fluctuations, particularly in the case of shares of technology companies, and such fluctuations may be driven by factors other than our operations or results. Such broad market and industry factors may harm the market price of our subordinate voting shares. Therefore, the price of our subordinate voting shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our subordinate voting shares regardless of our operating performance. Specifically, in recent periods, the stock market has experienced heightened volatility as a result of tariffs, trade wars, or other trade conditions, changes in governmental policy in the U.S. and Canada, inflationary pressures, changes in interest rates, changes in consumer spending and other macroeconomic factors. This volatility has had a negative impact on the market price of securities issued by many companies, including ours and other companies in our industry. There can be no assurance that fluctuations in price and volume will not continue or reoccur. If such increased levels of volatility and market turmoil continue or reoccur for a prolonged period of time, our operations and the trading price of our subordinate voting shares may be materially adversely affected.

In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation being instituted against that company. We have been and may in the future be subject to such litigation, and accordingly could incur substantial costs, fines and penalties (for which our director and officer liability insurance could be insufficient), our management's attention and resources could be diverted and it could harm our business, operating results and financial condition.

We do not currently anticipate paying dividends.

We do not anticipate paying any cash dividends on our securities, including the subordinate voting shares, in the foreseeable future. Any future determination to pay dividends on our securities will be at the discretion of the Board and will depend on, among other things, our results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law, our other capital allocation initiatives including our share repurchase program and other factors that the Board may deem relevant. Until the time that we do pay dividends, which we might never do, our shareholders will not be able to receive a return on their subordinate voting shares unless they sell such subordinate voting shares for a price greater than their acquisition price, and such appreciation may never occur. See "Dividend Policy".

We may not be able to, or may decide not to, repurchase shares pursuant to our capital allocation initiatives at a level anticipated by our shareholders, which could reduce shareholder return.

As part of our transformation plan, we have announced the exploration of initiatives to return up to $400 million to shareholders. As part of such initiatives, on March 26, 2025, the Company announced the renewal of its NCIB to repurchase up to 10% of the Company's "public float" (as defined in the TSX Company Manual) of subordinate voting shares issued and outstanding as at March 21, 2025. As at the date hereof, all shares available under the 2025 NCIB have been repurchased and cancelled by the Company. We cannot guarantee that additional share repurchase initiatives will be fully consummated or consummated on a timely basis or that it will enhance shareholder value. Share repurchases could affect the price of our subordinate voting shares. Any such changes in price and the period of time over which they would endure is not predictable. Share repurchase initiatives remain in the discretion of our board of directors and would not be pursued if not considered in the best interest of the Company. Furthermore, future share repurchases could be limited by restrictions under contracts with third parties, securities or tax laws, or solvency tests under corporate legislation.

Future sales, or the perception of future sales, of subordinate voting shares by existing shareholders or by us, or future dilutive issuances of subordinate voting shares by us, could adversely affect prevailing market prices for the subordinate voting shares.

Subject to compliance with applicable securities laws, sales of a substantial number of subordinate voting shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of subordinate voting shares or securities convertible into subordinate voting shares intend to sell subordinate voting shares, could reduce the prevailing market price of our subordinate voting shares. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our subordinate voting shares. If the market price of our subordinate voting shares were to drop as a result, this might impede our ability to raise additional capital and might cause remaining shareholders to lose all or part of their investment. Moreover, we have in the past offered subordinate voting shares as a significant component of the purchase price for acquisitions. Further, we offer equity incentive awards to our management and employees that may be share-settled.

In addition, certain holders of options and other share-based awards will have an immediate income inclusion for tax purposes when they exercise their options or when their other awards are share-settled (that is, tax is not deferred until they sell the underlying subordinate voting shares). As a result, these holders may be required to sell subordinate voting shares purchased on the exercise of options or issued upon share settlement of share-based awards in the same year that they exercise their options or in which their share-based awards are share-settled. This might result in a greater number of subordinate voting shares being sold in the public market, and reduced long-term holdings of subordinate voting shares by our management and employees.

Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts, which could cause our share price to decline.

Our quarterly revenue and results of operations fluctuate from time to time as a result of a variety of factors, many of which are outside of our control. If our quarterly revenue or results of operations fall below the expectations of investors or securities analysts, the price of our subordinate voting shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including:

- demand for and market acceptance of our solutions;
- the mix of services sold during a period;
- our ability to retain and increase sales to customers and attract new customers, particularly among retail customers in North America and hospitality customers in Europe;
- the timing and impact of restructuring and cost reduction initiatives;
- the timing of product deployment which determines when we can recognize the associated revenue;
- the timing and success of introductions of new solutions or upgrades by us or our competitors;
- changes in global political or economic conditions, including tariffs, inflation, changes in interest rates, changes in consumer spending and exchange rate fluctuations;
- changes in our pricing policies or product strategies or those of our competitors, including our decision to require eligible new and existing customers to adopt our payments solutions;
- competition, including entry into the industry by new competitors and new or enhanced offerings by existing competitors;
- the seasonal buying patterns of our customers and their consumers;
- the timing and impact of any acquisitions, investments or divestitures;

- network outages or security breaches; and
- the amount and timing of expenditures related to expanding our operations, research and development or introducing new solutions.

Due to the foregoing factors, and the other risks discussed in this AIF, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Securities analysts' research or reports could impact the price of the subordinate voting shares.

The trading market for our subordinate voting shares may be facilitated in part by the research and reports that industry or financial analysts publish about us or our industry. If few analysts provide coverage about us or our industry, the trading price of our subordinate voting shares could be lower than otherwise. If one or more of the analysts covering us or our business downgrade their evaluations of us, our business or the value of our subordinate voting shares, the price of our subordinate voting shares could decline. If one or more of these analysts cease to cover us or our industry, we could lose visibility in the market for our subordinate voting shares, which in turn could cause the price of our subordinate voting shares to decline.

In addition, the stock prices of many companies in the technology industry have declined significantly after those companies failed to meet the financial outlook publicly announced by the companies or the expectations of analysts, and stock prices have even declined significantly after such companies exceeded, or even significantly exceeded, such outlook or expectations. If our financial results fail to meet our announced outlook or the expectations of analysts or public investors, or even if our financial results exceed, or even significantly exceed, such outlook or expectations, or if we reduce or withdraw our outlook for future periods, our share price may decline.

Our business could be impacted by market and shareholder reaction to certain corporate developments.

On February 6, 2025, we announced the results of our strategic review process. Any speculation and developments associated with the results of our strategic review process or future corporate developments, or any perceived uncertainty regarding our future strategy or operations could result in adverse market reactions or negative shareholder engagement or campaigns which may require the commitment of significant financial resources and be time-consuming, distracting and disruptive to our strategy and business operations. Such speculation or perceived uncertainties could also limit our ability to retain or hire qualified personnel and may contribute to unplanned loss of employees through attrition, or result in the loss of customers, suppliers and other key business partners, or could cause the price of our shares to fluctuate significantly.

We incur significant expenses as a result of being a public company.

As a public company in the United States, we have incurred and will continue to incur additional legal, accounting, reporting and other expenses that we did not incur as a public company in Canada. The additional demands associated with being a U.S. public company may disrupt regular operations of our business by diverting the attention of some of our senior management team away from executing on our business strategy to additional management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our business. Any of these effects could harm our business, results of operations and financial condition.

If our efforts to comply with new United States laws, regulations and standards differ from the activities intended by regulatory and governing bodies, such regulatory bodies or third parties may initiate legal proceedings against us and our business may be adversely affected. As a public company in the United States, it is expensive for us to obtain director and officer liability insurance, and we continue to have to manage trade-offs between accepting reduced coverage or incurring higher costs to continue or expand our coverage. Certain other factors may also render insurance more difficult or expensive to obtain, including having our head office located in Quebec (Canada). These factors could also make it more difficult for us to attract and retain qualified directors. In addition, as a public company, we may be subject to shareholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate.

The U.S. Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting. In the event that we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate, or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and the price of our subordinate voting shares may decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE.

Pursuant to Section 404 of the U.S. Sarbanes-Oxley Act ("Section 404"), we are required to furnish a report by our management on our internal control over financial reporting, which must be accompanied by an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may issue a report that is adverse if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently than we do.

As a foreign private issuer, we are subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to our shareholders.

We are a "foreign private issuer" as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended (the" **Securities Act**"), and are permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare our disclosure documents filed under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), in accordance with Canadian disclosure requirements. Under the Exchange Act, we are subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, we do not file the same reports that a U.S. domestic issuer would file with the SEC, although we are required to file or furnish to the SEC the continuous disclosure documents that we are required to file in Canada under Canadian securities laws. In addition, our officers, directors, and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions of Section 16 of the Exchange Act. Therefore, our shareholders may not know on as timely a basis when our officers, directors and principal shareholders purchase or sell shares, as the reporting deadlines under the corresponding Canadian insider reporting requirements are longer.

As a foreign private issuer, we are exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. We are also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While we expect to comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the Exchange Act and Regulation FD and shareholders should not expect to receive in every case the same information at the same time as such information is provided by U.S. domestic companies.

In addition, as a foreign private issuer, we have the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that we disclose the requirements we are not following and describe the Canadian practices we follow instead. We plan to rely on this exemption. As a result, our shareholders may not have the same protections afforded to shareholders of U.S. domestic companies that are subject to all U.S. corporate governance requirements. As we continue our operations in the United States, we may cease to qualify as a foreign private issuer. If we cease to qualify, we will be subject to the same reporting requirements and corporate governance requirements as a U.S. domestic issuer which may increase our costs of being a public company in the United States.

We may lose foreign private issuer status in the future, which could result in significant additional costs and expenses to us.

We may in the future lose our foreign private issuer status if a majority of our shares are held in the United States and we fail to meet the additional requirements necessary to avoid loss of foreign private issuer status, such as if: (1) a majority of our directors or executive officers are U.S. citizens or residents; (2) a majority of our assets are located in the United States; or (3) our business is administered principally in the United States. Although we have elected to comply with certain U.S. regulatory provisions, our loss of foreign private issuer status would make such compliance mandatory. The regulatory and compliance costs to us under securities laws as a U.S. domestic issuer will be significantly more than the costs incurred as a Canadian foreign private issuer. If we were not a foreign private issuer, we would not be eligible to use foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are generally more detailed and extensive than the forms available to a foreign private issuer. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

We are required to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or these internal controls may not be effective, which

could adversely affect investor confidence in our Company and, as a result, negatively impact the value of our subordinate voting shares.

We are subject to reporting and other obligations under applicable U.S. and Canadian securities laws, including the U.S. Sarbanes-Oxley Act and NI 52-109, and the rules of the NYSE and the TSX. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we have, among other things, established systems, implemented financial and management controls, reporting systems and procedures and hired qualified accounting and finance staff, and may be required to do so in the future. However, if we are unable to accomplish any necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of our subordinate voting shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Our constating documents permit us to issue additional securities in the future, including subordinate voting shares and preferred shares, without additional shareholder approval.

Our amended and restated articles of incorporation permit us to issue an unlimited number of subordinate voting shares. We anticipate that we will, from time to time, issue additional subordinate voting shares in the future, including in connection with potential acquisitions and pursuant to exercises and settlements of our granted equity awards. Subject to the requirements of the TSX and the NYSE, we will not be required to obtain the approval of shareholders for the issuance of additional subordinate voting shares. Any further issuances of subordinate voting shares will result in immediate dilution to existing shareholders and may have an adverse effect on the value of their shareholdings.

Our amended and restated articles of incorporation also permit us to issue an unlimited number of preferred shares, issuable in series. While we have no present plans to issue any preferred shares, our Board has the authority to issue preferred shares and determine the price, designation, rights, (including voting and dividend rights), preferences, privileges, restrictions and conditions of such preferred shares and to determine to whom they shall be issued. Any issuance of preferred shares may result in further dilution to existing shareholders and have an adverse effect on the value of their shareholdings. We cannot foresee the terms and conditions of any future offerings of preferred shares nor the effect they may have on the market price of the subordinate voting shares.

Provisions of our constating documents and certain Canadian legislation could delay a change of control, limit attempts by our shareholders to replace or remove our current senior management and affect the market price of our subordinate voting shares.

Our Board has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. Our preferred shares may be issued with liquidation, dividend and other rights superior to the rights of our subordinate voting shares. The potential issuance of preferred shares may delay or prevent a change in control of the Company, make the removal of senior management more difficult, discourage bids for our subordinate voting shares at a premium over the market price and adversely affect the market price and other rights of the holders of our subordinate voting shares.

These provisions may frustrate or prevent any attempts by our shareholders to launch a proxy contest or replace or remove our current senior management by making it more difficult for shareholders to replace members of our Board, which is responsible for appointing the members of our senior management. Any of these provisions could have the effect of delaying, preventing or deferring a change in control which could limit the opportunity for our subordinate voting shareholders to receive a premium for their subordinate voting shares, and could also affect the price that investors are willing to pay for subordinate voting shares.

Provisions of Canadian law may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

The Investment Canada Act (Canada) subjects an acquisition of control of us by a non-Canadian to government review if the value of our assets as calculated pursuant to the legislation exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant Minister is satisfied that the investment is likely to be of net benefit to Canada. This could prevent or delay a change of control and may eliminate or limit strategic opportunities for shareholders to sell their subordinate voting shares.

We are governed by the corporate and securities laws of Canada which in some cases have a different effect on shareholders than the corporate laws of Delaware, U.S. and U.S. securities laws.

We are governed by the CBCA and other relevant laws, which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction, and may, together with our constating documents, have the effect of delaying, deferring or discouraging another party from acquiring control of the Company by means of a tender offer, a proxy contest or otherwise, or may affect the price an acquiring party would be willing to offer in such an instance. The material differences between the CBCA and Delaware General Corporation Law ("**DGCL**") that may have the greatest such effect include, but are not limited to, the following: (i) for material corporate transactions (such as mergers and amalgamations, other extraordinary corporate transactions or amendments to our articles) the CBCA generally requires a two-thirds majority vote by shareholders, whereas DGCL generally requires only a majority vote; and (ii) under the CBCA, holders of 5% or more of our shares that carry the right to vote at a meeting of shareholders can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL.

As we are a Canadian corporation and certain of our directors and officers reside in Canada or the provinces thereof and the United Kingdom, it may be difficult for United States shareholders to effect service on us to realize on judgments obtained in the United States. Similarly, it may be difficult for Canadian investors to enforce civil liabilities against our directors and officers residing outside of Canada.

We are governed by the CBCA with our principal place of business in Canada, certain of our directors and officers reside in Canada or the provinces thereof and the United Kingdom and the majority of our assets and all or a substantial portion of the assets of these persons may be located outside the United States. Consequently, it may be difficult for investors who reside in the United States to effect service of process in the United States upon us or upon such persons who are not residents of the United States, or to realize upon judgments of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws. A judgment of a U.S. court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. Investors should not assume that Canadian courts: (i) would enforce judgments of U.S. courts obtained in actions against us or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or blue sky laws of any state within the United States, or (ii) would enforce, in original actions, liabilities against us or such persons predicated upon the U.S. federal securities laws or any such state securities or blue sky laws. Similarly, some of our directors and officers are residents of countries other than Canada and all or a substantial portion of the assets of such persons are located outside Canada. As a result, it may be difficult for Canadian investors to initiate a lawsuit within Canada against these persons. In addition, it may not be possible for Canadian investors to collect from these persons judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Canadian investors to succeed in a lawsuit in the United States based solely on violations of Canadian securities laws.

Our by-laws designate certain specified courts as the sole and exclusive forums for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

We have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the courts of the Province of Québec, Canada and appellate courts therefrom (or, failing such Court, any other "court" as defined in the CBCA having jurisdiction, and the appellate Courts therefrom), will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf; (2) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (3) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our amended and restated articles of incorporation or by-laws; or (4) any action or proceeding asserting a claim otherwise related to our "affairs" (as defined in the CBCA). Our forum selection by-law also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign action initiated in violation of our by-law. Therefore, it may not be possible for securityholders to litigate any action relating to the foregoing matters outside of the Province of Québec. Our forum selection by-law seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the United States and have been upheld by courts in certain states, they are untested in Canada.

In addition, we have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. This forum selection by-law further provides that any person or entity holding, purchasing or otherwise acquiring any of our securities is deemed to have notice of and consented to this forum selection by-law. While the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts will enforce our forum selection by-law.

It is possible that the validity of our forum selection by-laws could be challenged and that a court could rule that such by-law is inapplicable or unenforceable. If a court were to find our forum selection by-laws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our securities since our IPO. We do not currently anticipate paying dividends on the subordinate voting shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law, our other capital allocation initiatives including our share repurchase program and other factors that the Board may deem relevant.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions contained in our amended and restated articles of incorporation and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our amended and restated articles of incorporation and by-laws.

Our authorized share capital consists of (i) an unlimited number of subordinate voting shares and (ii) an unlimited number of preferred shares, issuable in series, of which 146,399,347 subordinate voting shares and no preferred shares were issued and outstanding as of March 31, 2025.

We previously had multiple voting shares issued and outstanding, but all such multiple voting shares were automatically converted into subordinate voting shares, on a one-for-one basis on December 1, 2020, as a result of reaching the automatic conversion ownership threshold attached to the multiple voting shares, all in accordance with their terms. As a result of such automatic conversion, the subordinate voting shares are our only class of shares issued and outstanding, and they continue to carry one vote per share. Pursuant to the terms of our amended and restated articles of incorporation, upon the automatic conversion of all of our issued and outstanding multiple voting shares, the authorized and unissued multiple voting shares as a class were automatically deleted entirely from our authorized capital, together with the rights, privileges, restrictions and conditions attaching thereto, such that as at the date hereof, the Company has only two classes of shares authorized for issuance, being the subordinate voting shares and the preferred shares.

Subordinate Voting Shares

Rank

Upon our liquidation, dissolution or winding up, the holders of subordinate voting shares are entitled to share ratably in all assets of the Company remaining after payment of debts and liabilities, subject to the rights of any preferred shares having priority over the subordinate voting shares, if any.

Dividends

The holders of outstanding subordinate voting shares are entitled to receive dividends at such times and in such amounts and form as our Board may from time to time determine, but subject to the rights of the holders of any preferred shares. We are permitted to pay dividends unless there are reasonable grounds for believing that: (i) we are, or would after such payment be, unable to pay our liabilities as they become due; or (ii) the realizable value of our assets would, as a result of such payment, be less than the aggregate of our liabilities and stated capital of all classes of shares.

Voting Rights

The holders of outstanding subordinate voting shares are entitled to receive notice and attend all general and special meetings of shareholders of the Company, and each such subordinate voting share entitles its holder to one vote. As of March 31, 2025, the subordinate voting shares collectively represented 100% of our issued and outstanding shares and 100% of the voting power attached to all of our issued and outstanding shares.

Preferred Shares

The preferred shares are issuable at any time and from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the preferred shares of each series, which may include voting rights, the whole subject to the issue of a certificate of amendment setting forth the designation and provisions attaching to the preferred shares or shares of the series. Holders of preferred shares, except as otherwise provided in the terms specific to a series of preferred shares or as required by law, will not be entitled to vote at meetings of holders of shares, and will not be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment of the kind referred to

in paragraph (a), (b) or (e) of subsection 176(1) of the CBCA. The preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank on parity with the preferred shares of every other series and will be entitled to preference over the subordinate voting shares and any other shares ranking junior to the preferred shares with respect to payment of dividends and distribution of any property or assets in the event of the Company's liquidation, dissolution or winding-up, whether voluntary or involuntary. We currently anticipate that the preferred shares will not carry any pre-emptive, redemption, conversion, exchange or retraction rights, nor will they contain any purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities and any other material restrictions, or provisions requiring a securityholder to contribute additional capital.

Other Important Provisions of our Constating Documents

Advance Notice Provisions

We have adopted an advance notice by-law that includes provisions with respect to the election of our directors in our amended and restated articles of incorporation (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods require that we receive notice of a director's nomination: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "**Notice Date**") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

We have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the courts of the Province of Québec, Canada and appellate courts therefrom (or, failing such court, any other "court" as defined in the CBCA having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf; (2) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (3) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our amended and restated articles of incorporation or by-laws, or (4) any action or proceeding asserting a claim otherwise related to our "affairs" (as defined in the CBCA). Our forum selection by-law also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign action initiated in violation of our by-law.

In addition, we have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, regardless of whether such complaint also involves parties other than us, including but not limited to any underwriters or auditors we have retained. This forum selection by-law further provides that any person or entity holding, purchasing or otherwise acquiring any of our securities is deemed to have notice of and consented to this forum selection by-law. This by-law is enforceable by any party to a complaint covered by this by-law.

Investor Rights Agreement

In connection with closing of our IPO, we entered into an investor rights agreement with DHIDasilva Holdings Inc., a company controlled by our founder and Executive Chair, and Caisse de dépôt et placement du Québec ("**Caisse**", and collectively, the "**Principal Shareholders**"), with respect to certain shareholder rights (the "**Original Investor Rights Agreement**"). On September 9, 2020, the Original Investor Rights Agreement was amended and restated in connection with the Company's initial public offering in the United States to grant the Principal Shareholders substantially equivalent registration rights in connection with a U.S. public offering as were offered in the Original Investor Rights Agreement (the Original Investor Rights Agreement, as amended and restated,

the "**Investor Rights Agreement**"). As of the date hereof, Caisse holds less than 20% of our subordinate voting shares (on a non-diluted basis). The following is a summary of the material attributes and characteristics of the Investor Rights Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Investor Rights Agreement has been filed with the Canadian securities regulatory authorities and furnished with the U.S. Securities and Exchange Commission and is available on SEDAR+ at www.sedarplus.com and EDGAR at www.sec.gov.

Nomination Rights

The Investor Rights Agreement provides that Caisse would be entitled to nominate one of the Company's directors as part of the slate of director candidates proposed by the Company in any management information circular, and would continue to be entitled to nominate such director for so long as it held at least 20% of our subordinate voting shares (on a non-diluted basis). Moreover, if Caisse held at least 20% of our subordinate voting shares (on a non-diluted basis), the Company, acting reasonably, would consult Caisse in respect of any appointment or replacement of the Chair of the Board. Any nominee of Caisse designated under the Investor Rights Agreement must be considered independent within the meaning of NI 52-110. Quorum for meetings of the Board must include the nominee of Caisse (if applicable per the above), subject to customary exceptions. As of the date hereof, Caisse holds less than 20% of our subordinate voting shares (on a non-diluted basis).

The Investor Rights Agreement also provides that, should the Company grant additional nomination rights in the future to an investor other than Caisse, the Company shall cause such other investor to exercise all voting rights under its control to vote in favour of the nominee of Caisse, provided that such other investor may abstain from voting in favour of such nominee of Caisse.

Restrictive Covenant

The Investor Rights Agreement limits the Company's ability to prejudice the maintenance within Québec of its head office. Such restrictive covenant will continue to apply until the occurrence of either (i) Caisse ceasing to hold at least 15% of our subordinate voting shares (on a non-diluted basis) or (ii) seven years following the completion of our IPO.

Registration Rights

The Investor Rights Agreement provides for demand registration rights in favour of the Principal Shareholders, provided such Principal Shareholder holds at least 20% of our subordinate voting shares (on a non-diluted basis), that enable them, under certain circumstances, to require the Company to qualify by prospectus in Canada all or any portion of the subordinate voting shares held by them for a distribution to the public, provided that the Company is not obliged to effect (i) more than two demand registrations in any 12-month period, (ii) a demand registration within 90 days following the completion of an offering in which a demand registration right or piggyback registration right has been exercised, or (iii) any demand registration where the value of the subordinate voting shares offered under such demand registration is less than C$25 million.

The Investor Rights Agreement also provides for piggyback registration rights (subject to certain customary exemptions) allowing the Principal Shareholders, provided such Principal Shareholder holds at least 10% of our subordinate voting shares (on a non-diluted basis), to include their subordinate voting shares in certain public offerings of subordinate voting shares, subject to certain underwriters' cutback rights.

MARKET FOR SECURITIES

Trading Price and Volume

Our subordinate voting shares are listed for trading on the TSX and the NYSE under the symbol “LSPD”. The following table sets forth the price ranges and volumes of our subordinate voting shares traded on the TSX for each month of Fiscal 2025 during which our shares traded on the TSX.

TSX

Fiscal 2025	High (C$)	Low (C$)	Volume (#)
April	$ 20.00	$ 17.61	10,875,970
May	$ 21.40	$ 17.01	18,747,080
June	$ 21.10	$ 17.96	10,096,040
July	$ 19.83	$ 17.86	10,746,120
August	$ 19.75	$ 16.04	12,430,530
September	$ 22.76	$ 16.11	13,950,360
October	$ 22.45	$ 20.45	9,166,740
November	$ 26.60	$ 20.50	15,617,410
December	$ 26.13	$ 21.78	9,287,870
January	$ 23.36	$ 20.29	9,290,120
February	$ 20.84	$ 16.93	19,590,140
March	$ 18.60	$ 12.54	15,178,830

The following table sets forth the price ranges and volumes of our subordinate voting shares traded on the NYSE for each month of Fiscal 2025 during which our shares traded on the NYSE.

NYSE

Fiscal 2025	High (US$)	Low (US$)	Volume (#)
April	$ 14.80	$ 12.71	18,352,590
May	$ 15.65	$ 12.46	35,580,260
June	$ 15.42	$ 13.10	15,939,670
July	$ 14.50	$ 12.92	17,516,950
August	$ 14.29	$ 11.01	19,186,150
September	$ 16.88	$ 11.84	24,778,880
October	$ 16.67	$ 14.75	12,959,500
November	$ 18.96	$ 14.77	20,988,120
December	$ 18.61	$ 15.15	11,521,400
January	$ 16.24	$ 14.10	8,112,750
February	$ 14.59	$ 11.81	23,914,210
March	$ 12.90	$ 8.72	26,380,030

None of our other securities were listed for trading or quoted on any exchange or market.

DIRECTORS AND EXECUTIVE OFFICERS

The following tables set out, as of the date of this Annual Information Form, for each of our directors and executive officers, the person’s name, municipality of residence, position(s) with the Company, previously held positions for the last five years and, if a director, the year in which the person became a director. Our directors are either elected annually by the shareholders at the annual meeting of shareholders or, subject to our amended and restated articles of incorporation and applicable law, appointed by our board of directors between annual meetings. Each director holds office until the close of the next annual meeting of our shareholders or until he

or she ceases to be a director by operation of law, or until his or her removal or resignation becomes effective. Executive officers are appointed by the Board to serve, subject to the discretion of the Board, until their successors are appointed.

Directors

Name and Place of Residence	Position(s) with Lightspeed	Director Since	Principal Occupation	Previously Held Positions (Last Five Years)
Patrick Pichette[2] London, United Kingdom	Director[4]	2018	General Partner, Inovia Capital	General Partner, Inovia Capital (2018 to present) Director, Twitter, Inc. (from 2017 to 2022)
Paul McFeeters[1][3] Ontario, Canada	Director	2018	Corporate Director	-
Rob Williams[1][3] Washington, United States	Director	2018	Corporate Director	Management Consultant (2016 to present) Board Member, Cymax Group Technologies (from 2021 to 2024)
Dax Dasilva Québec, Canada	Founder, Director and Chief Executive Officer	2005	Chief Executive Officer	Executive Chair, Lightspeed Commerce Inc. (from 2022 to 2024) Chief Executive Officer, Lightspeed Commerce Inc. (from 2005 to 2022)
Dale Murray[1][2] Cobham, United Kingdom	Lead Independent Director[4]	2022	Corporate Director	Non-Executive Director, Jupiter Fund Management plc (from 2021 to present) Non-Executive Director, The Cranemere Group Ltd. (from 2019 to present) Non-Executive Director, Xero Limited (from 2018 to present) Non-Executive Director, LendInvest plc (from 2021 to 2024) Non-Executive Director, Rated People Ltd (from 2021 to 2024) Partner, Founders Intelligence (from 2019 to 2020)

Nathalie Gaveau[2][3] London, United Kingdom	Director	2022	Corporate Director	Senior Advisor, Boston Consulting Group (BCG) (from 2021 to present) Non-Executive Director, Coca-Cola EuroPacific Partners (from 2019 to present) Director, Sonepar (from 2023 to present) Director, HWX Partners Ltd (2019 to present) Director, PortAventura World (from 2022 to 2024) Non-Executive Director, Calida AG (from 2018 to 2022) President and Director, Tailwind International Acquisition Corp. (from 2021 to 2023) Managing Director and Partner, BCG (from 2019 to 2020)
Manon Brouillette Québec, Canada	Executive Chair[4]	2023	Corporate Director	Chair of the Board, Hydro-Quebec (from 2023 to present) Strategic Partner, Inovia Capital (2023 to present) Director, BFA Industries (from 2020 to 2025) EVP and Strategic Advisor, Verizon (from 2022 to 2023) EVP and Chief Executive Officer, Verizon (2022) Chief Operating Officer and Deputy Chief Executive Officer, Verizon Consumer Group (from 2021 to 2022) Director, Sonder Holdings (from 2020 to 2023) Director, Lightspeed Commerce Inc. (from 2020 to 2021) Director, National Bank of Canada (from 2020 to 2021) Director, Altice USA (from 2017 to 2021)

(1) Member of the Audit Committee. Mr. McFeeters is Chair of the Audit Committee.
(2) Member of the Compensation, Nominating and Governance Committee. Ms. Murray is Chair of the Compensation, Nominating and Governance Committee.
(3) Member of the Risk Committee. Mr. Williams is Chair of the Risk Committee.
(4) On March 6, 2025, we announced the appointment of Ms. Brouillette as Executive Chair of our Board, effective April 1, 2025 to coincide with the first day of Lightspeed's new fiscal year. In connection with this appointment, Ms. Murray was appointed as Lead Independent Director of the Board effective April 1, 2025. Mr. Pichette continued to serve as a director on the Board despite ceasing to be Chair of the Board. Concurrently with these appointments and in each case effective April 1, 2025, Ms. Brouillette ceased to serve on the Compensation, Nominating and Governance Committee and Risk Committee, Ms. Murray was appointed to succeed Mr. Pichette on the Audit Committee and Mr. Pichette was appointed to succeed Ms. Brouillette on the Compensation, Nominating and Governance Committee.

Executive Officers

Name and Place of Residence	Position(s) with Lightspeed	Years with Lightspeed	Previously Held Positions (Last Five Years)
Dax Dasilva Québec, Canada	Founder, Director and Chief Executive Officer	20	Chief Executive Officer, Lightspeed Commerce Inc. (from 2024 to present) Executive Chair, Lightspeed Commerce Inc. (from 2022 to 2024) Chief Executive Officer, Lightspeed Commerce Inc. (from 2005 to 2022)
Jean-David Saint-Martin Québec, Canada	President	6	Chief Revenue and Customer Officer, Lightspeed Commerce Inc. (from 2019 to 2022)
Asha Hotchandani Bakshani Québec, Canada	Chief Financial Officer	10	Executive Vice President of Finance, Lightspeed Commerce Inc. (from 2019 to 2022)
Daniel Micak Ontario, Canada	Chief Legal Officer & Corporate Secretary	7	EVP, General Counsel and Corporate Secretary, Lightspeed Commerce Inc. (from 2018 to 2022)
Shirvani Mudaly Québec, Canada	Chief People Officer	4	Vice President of People and Culture, APAC, Lightspeed Commerce Inc. (from 2021 to 2023) Chief People Officer, Vend (from 2018 to 2021)
John Shapiro Massachusetts, United States	Chief Product & Technology Officer	2	SVP Product, Retail, Lightspeed Commerce Inc. (from 2023 to 2024) Head of Product and Design, Global Supplier & Merchandising, Wayfair LLC (from 2022 to 2023) Head of Product, Global Supplier, Wayfair LLC (from 2021 to 2022) Director of Product Management, Customer Tools and Services, Wayfair LLC (from 2018 to 2021)

Ownership of Securities

As of May 20, 2025, as a group, our directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 14,380,216 subordinate voting shares, representing 10.47% of the subordinate voting shares and voting power attached to all of our issued and outstanding shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Lightspeed, no director or executive officer of Lightspeed is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Lightspeed), that: (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied such company access to any exemption under securities legislation (each an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Lightspeed, other than as disclosed below, no director or executive officer of Lightspeed, or a shareholder holding a sufficient number of securities of Lightspeed to materially affect the control of Lightspeed, (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Lightspeed) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder. Patrick Pichette was a director of Boosted Boards, a

private manufacturer of electronic skateboards and scooters, until May 2020. Boosted Boards made an assignment for the benefit of creditors in April 2020. The sale of assets and the liquidation have been completed. Patrick Pichette was also a director of GoForward, Inc. ("Forward"), a private healthcare technology company, until December 2024. Forward filed for bankruptcy in November 2024.

To the knowledge of Lightspeed, no director or executive officer of Lightspeed, or a shareholder of Lightspeed holding a sufficient number of securities of Lightspeed to materially affect the control of Lightspeed has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the knowledge of Lightspeed, there are no existing or potential material conflicts of interest between Lightspeed or a subsidiary of Lightspeed and any director or officer of Lightspeed or of a subsidiary of Lightspeed, except that certain of our directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies. Directors are required to comply with the relevant provisions of the CBCA regarding conflicts of interest.

AUDIT COMMITTEE

Composition of the Audit Committee

Our Audit Committee consists of a minimum of three directors, currently comprised of Paul McFeeters, who acts as chair of this committee, Dale Murray and Rob Williams. Our board of directors has determined that each of these directors meets the independence requirements, including the heightened independence standards for members of the Audit Committee, of the NYSE, the SEC and NI 52-110. Our board of directors has determined that each of the members of the Audit Committee is independent and financially literate within the meaning of the NYSE rules and NI 52-110. Mr. McFeeters and Dale Murray have each been identified as an audit committee financial expert as defined by the SEC rules.

Relevant Education and Experience of the Audit Committee Members

Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Paul McFeeters (Chair)

Mr. McFeeters retired from OpenText in September 2014 where he had served as the Chief Financial Officer since June 2006. Mr. McFeeters has more than thirty years of C-level business experience, including previous employment as Chief Financial Officer of Platform Computing Inc., a grid computing software vendor from 2003 to 2006, and of Kintana Inc., a privately-held IT governance software provider, from 2000 to 2003. Mr. McFeeters also held President and CEO positions at MD Private Trust from 1997 to 2000. Between 1981 and 1996 Mr. McFeeters worked at Municipal Financial Corporation and held various progressive positions there including Chief Financial Officer, Chief Operating Officer, President and Chief Executive Officer. Mr. McFeeters was a member of the board of directors of Constellation Software Inc., a diversified software company, from 2014 to 2022 and served on its audit committee. From 2015 to August 2019, Mr. McFeeters was a board advisor for Hootsuite, a social media management company. From 2007 to January 2016, Mr. McFeeters was a member of the board of Blueprint Software Systems Inc., an enterprise requirements software solutions provider. Mr. McFeeters holds a B.B.A (Honours) from Wilfrid Laurier University and an MBA from Schulich School of Business at York University and is a Chartered Professional Accountant. Mr. McFeeters has been a director of Lightspeed since 2018.

Dale Murray

Ms. Murray is a successful technology entrepreneur with extensive board experience in the UK, US and Australia. Ms. Murray is a non-executive director at Xero, a global cloud accounting company, the Cranemere Group, an investment company, and Jupiter Fund Management plc, a UK asset manager. Ms. Murray started her career at PwC then Vodafone in New Zealand, followed by Pearson in the UK. Ms. Murray co-founded and led the software business Omega Logic, which launched electronic mobile phone top-ups in

Britain alongside the mobile phone networks and other top-up solution providers. Additionally, Ms. Murray has served on the Business Taskforce for David Cameron, the former British Prime Minister, and was a non-executive director at the UK Government's Department for Business. Debretts named Ms. Murray one of the "500 most influential people in Britain" in 2015. Ms. Murray was honoured with a CBE in 2013 by HM Queen Elizabeth II for services to business. Ms. Murray qualified as a Chartered Accountant with the New Zealand Institute of Chartered Accountants and holds an MBA from London Business School. Ms. Murray has been a director of Lightspeed since 2022.

Rob Williams

Mr. Williams has over 25 years of leadership experience in eCommerce, retail and SaaS companies. In his near decade at Amazon (2006 to 2015), Mr. Williams held five senior leadership positions on both the Retail and Seller teams. In his last role, Mr. Williams led Amazon's Tier 1 Vendor team for Global Vendor Management. Prior to that, Mr. Williams led three business teams for Amazon's Seller Fulfillment by Amazon (FBA) division: the Seller Reimbursement and Recovery/Liquidations team, the Contact Reduction team, and the Defect Reduction team. Previously, he led the FBA Product Development Roadmap team. Before that role, Mr. Williams led Product Management for Amazon's Competitive Strategy and Negotiations Team. Prior to Amazon, Mr. Williams was on the leadership team of Magnolia Hi-Fi when they were acquired by Best Buy. Mr. Williams was promoted to National Director at Best Buy, where he led Sales Development for the Magnolia Home Theater store within a store project. Mr. Williams was at Magnolia Hi-Fi and Best Buy from September 1994 to June 2006. Prior to that in 1994 he was a criminal prosecutor under the City of Seattle's Trial Advocacy Program. Mr. Williams holds his Bachelor of Arts degree in Business Administration from the University of Washington and his Juris Doctor, Law from the Willamette University College of Law. He is also a guest lecturer on International Business for the University of Washington School of Business Administration and a keynote speaker on how to build a company culture of Disruptive Innovation and consults worldwide on eCommerce, retail and technology. Mr. Williams served as a member of the board of directors of Cymax Group from 2021 to 2024. Mr. Williams has been a director of Lightspeed since 2018.

Charter of the Audit Committee

The Board has adopted a written charter, the text of which is reproduced in its entirety as Exhibit A, setting forth the purpose, composition, authority and responsibility of the Audit Committee, consistent with the rules of the NYSE, the SEC and NI 52-110. The Audit Committee assists the Board in fulfilling its oversight of, among other things:

- the quality and integrity of the Company's financial statements and related information;
- the qualifications, independence, appointment and performance of the external auditor;
- the accounting and financial reporting policies, practices and procedures of the Company and its subsidiaries and affiliates;
- the Company's financial risk management practices and financial reporting compliance;
- management's design, implementation and effective conduct of internal controls over financial reporting and disclosure controls and procedures;
- the performance of the Company's internal audit function; and
- preparation of disclosures and reports required to be prepared by the Audit Committee by any law, regulation, rule or listing standard.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditor, the internal audit function, the Risk Committee and the management of the Company. The Audit Committee is given full access to the Company's management and records, internal audit function and external auditor as necessary to carry out these responsibilities. At least annually, the Audit Committee reviews and confirms the independence of the external auditor by obtaining statements from the external auditor describing all relationships with Lightspeed, including with respect to any non-audit services. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company provides appropriate funding, as determined by the Audit Committee, for the payment of compensation to the external auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

Audit Committee Pre-Approval Policies and Procedures

Under its charter, the Audit Committee is required to pre-approve all non-audit services to be performed by the external auditors in relation to us, together with approval of the engagement letter for such non-audit services and estimated fees thereof. The pre-approval process for non-audit services also involves consideration of the potential impact of such services on the independence of the external

auditors and whether the service for which approval is sought is a prohibited service under applicable laws, regulations, rules or listing standards.

The Committee may delegate the pre-approval of services provided by the external auditor to one or more members of the Committee, which member(s) shall be independent to the extent required by any applicable law, regulation, rule or listing standard. Any such delegate shall report his or her approvals to the Committee at the next scheduled meeting.

External Auditor Service Fee

For Fiscal 2025 and Fiscal 2024, we paid the following fees with our external auditor, PricewaterhouseCoopers LLP:

	Fiscal 2025	Fiscal 2024
Audit fees[1]	C$2,866,986	C$2,209,215
Audit related fees[2]	C$89,176	C$98,502
Tax fees[3]	C$9,541	C$7,574
All other fees[4]	C$-	C$-
Total fees	C$2,965,703	C$2,315,291

(1) Audit fees relate to professional services rendered for the audit of our annual consolidated financial statements and reviews of our interim consolidated financial statements for the first three quarters of the year.
(2) Audit-related fees relate to professional services, including in connection with translation services.
(3) Fees for tax compliance, tax advice and tax planning.
(4) All other fees not included above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that, other than the proceedings described in the next paragraphs, none of the litigation in which we are currently involved, or have been involved since the beginning of our most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition, cash flows or results of operations.

Beginning in October 2021, the Company and certain of the Company's officers and directors were named as defendants to an application for authorization to bring a securities class action filed before the Superior Court of Quebec, and the Company and certain of the Company's officers and directors were named as defendants in a securities class action brought in U.S. district court for the Eastern District of New York. The application and action were both sought on behalf of purchasers of the Company's subordinate voting shares, were both based upon allegations that the defendants made false and/or misleading statements to the public and both sought unspecified damages. On February 25, 2025, the U.S. district court for the Eastern District of New York granted the Company's motion to dismiss in full and ruled that the plaintiff failed to allege any actionable claims. Subsequently, the plaintiffs agreed to a Joint Stipulation of Voluntary Dismissal to dismiss the action with prejudice in return for each party's agreement to bear their own attorneys' fees and costs. The application filed before the Superior Court of Quebec remains outstanding and the Company and management intend to vigorously defend against that proceeding.

During the fiscal year ended March 31, 2025, the Company, without admitting liability or wrongdoing, made a general damages payment in settlement of allegations by a residual payments partner that the Company had breached covenants in two agreements with the partner. During the fiscal year ended March 31, 2024, the residual payments partner had purported to terminate the two agreements and ceased to make ongoing payments owed to the Company thereunder. Separately, in October 2024, the residual payments partner paid the Company unpaid amounts of over $9.5 million owed to it under the agreements through the quarter ended March 31, 2024. The two agreements terminated and neither the Company nor the residual payments partner have ongoing obligations thereunder.

On October 22, 2021, CloudofChange, LLC, a non-practising entity, filed a patent infringement lawsuit against the Company in the Western District of Texas. The patents at issue in the suit were U.S. Patents Nos. 9,400,640, 10,083,012 and 11,226,793. These patents generally related to web-based point of sale builder systems. Separately, the Company applied for inter partes review of all three patents by the U.S. Patent Trial and Appeal Board (the "PTAB"). The PTAB issued final written decisions finding all asserted claims of all three patents unpatentable. The lawsuit has now been stayed pending final resolutions of the inter partes reviews. The plaintiff

filed notices of appeal of the PTAB's final written decisions and the Company and management intend to vigorously defend the PTAB's invalidity findings.

An adverse outcome in these proceedings could have a material adverse effect on our business, financial condition, results of operations and reputation, and could cause the market value of our subordinate voting shares to decline.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, the Company's audited annual consolidated financial statements and notes for Fiscal 2025 and Management's Discussion and Analysis for Fiscal 2025, no director or executive officer of Lightspeed, and to the knowledge of the directors and executive officers of Lightspeed, (i) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of Lightspeed's voting shares, (ii) nor any of such persons' or companies' associates or affiliates, (iii) nor any associates or affiliates of any director of executive officer of Lightspeed, has had a material interest, direct or indirect, that has materially affected or is reasonably expected to materially affect the Company within the three most recently completed financial years or during the current financial year.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our subordinate voting shares in Canada is TSX Trust Company, at its principal offices in Montréal, Québec and Toronto, Ontario, and in the United States is Equiniti Trust Company, LLC, at its principal office in New York, New York.

MATERIAL CONTRACTS

The Investor Rights Agreement is the only material contract, other than those contracts entered into in the ordinary course of business, which the Company has entered into since the beginning of the last financial year ended March 31, 2025, or entered into prior to such date, but which is still in effect and that is required to be filed with Canadian securities regulatory authorities in accordance with Section 12.2 of National Instrument 51-102 - *Continuous Disclosure Obligations.*

See "Description of Share Capital – Investor Rights Agreement", for a summary of the Investor Rights Agreement. A copy of the Investor Rights Agreement is available on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov.

INTERESTS OF EXPERTS

The Company's independent registered public accounting firm is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued a Report of Independent Registered Public Accounting Firm dated May 22, 2025 in respect of the Company's consolidated financial statements as at March 31, 2025 and 2024 and for each of the years then ended and on the effectiveness of internal control over financial reporting as at March 31, 2025. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada including the Code of ethics of chartered professional accountants (Québec) and the rules of the U.S. Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) on auditor independence.

ADDITIONAL INFORMATION

Additional information about Lightspeed is available on our website at investors.lightspeedhq.com, the website maintained by the Canadian Securities Administrators at www.sedarplus.com, or on the website maintained by the SEC at www.sec.gov.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans will be contained in our management information circular that will be filed in connection with our next annual meeting of shareholders. Once filed, the circular will be available on our website at investors.lightspeedhq.com and at www.sedarplus.com and www.sec.gov.

Additional financial information is provided in our audited annual consolidated financial statements and MD&A for the fiscal year ended March 31, 2025, available on our website at investors.lightspeedhq.com and at www.sedarplus.com and www.sec.gov.

References to our website in this AIF or any documents that are incorporated by reference in this AIF do not incorporate by reference the information on such website into this AIF, and we disclaim any such incorporation by reference.

We are a "foreign private issuer" as such term is defined in Rule 405 under the Securities Act and are not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. Under the Exchange Act we are subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, we do not file the same reports that a U.S. domestic issuer would file with the SEC, although we are required to file or furnish to the SEC the continuous disclosure documents that we are required to file in Canada under Canadian securities laws.

We will provide without charge to each person, including any beneficial owner, on the written or oral request of such person, a copy of any or all documents referred to above which have been or may be incorporated by reference in this Annual Information Form or our Annual Report on Form 40-F for the year ended March 31, 2025 (not including exhibits to such incorporated reports that are not specifically incorporated by reference into such reports). Requests for such copies should be directed to us via email to investorrelations@lightspeedhq.com, or by calling (514) 907-1801.

EXHIBIT A

LIGHTSPEED COMMERCE INC.

AUDIT COMMITTEE CHARTER

I. GENERAL

1. Mandate and Purpose of the Committee

The purpose of the Audit Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of Lightspeed Commerce Inc. (the "**Company**") in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions, including the Board's oversight of:

- **a.** the quality and integrity of the Company's financial statements and related information;
- **b.** the qualifications, independence, appointment and performance of the external auditor;
- **c.** the accounting and financial reporting policies, practices and procedures of the Company and its subsidiaries and affiliates;
- **d.** the Company's financial risk management practices and financial reporting compliance;
- **e.** management's design, implementation and effective conduct of internal controls over financial reporting and disclosure controls and procedures;
- **f.** the performance of the Company's internal audit function; and
- **g.** preparation of disclosures and reports required to be prepared by the Committee by any law, regulation, rule or listing standard.

2. Authority of the Committee

- **a.** The Committee has the authority to delegate to subcommittees, provided however that the Committee shall not delegate any power or authority required by any law, regulation, rule or listing standard to be exercised by the Committee as a whole.
- **b.** The Committee has the authority, and the Company will provide it with proper funding to enable it, to:
  - i. engage independent counsel and other advisors as it determines necessary or advisable to carry out its duties and to set and pay the compensation for any such advisors; and
  - ii. communicate directly with the external auditors and to obtain any information it requires from employees, officers, directors and external parties.

II. PROCEDURAL MATTERS

1. Composition

The Committee will be composed of a minimum of 3 members.

2. Member Qualifications

- **a.** Every Committee member must be a director of the Company.
- **b.** Every Committee member must be qualified to serve on the Committee pursuant to the requirements of any applicable law, regulation, rule or listing standard, including being "independent" and "financially literate" as such terms are defined by applicable laws, regulations, rules and listing standards.
- **c.** At least one member of the Committee will have accounting or related financial management experience or expertise and such person shall be designated the "audit committee financial expert" for the purposes of applicable securities laws, regulations, rules and listing standards.

Approved by the Board of Directors on May 21, 2025.

3. Member Appointment and Removal

Committee members will be appointed by the Board. The members of the Committee will be appointed promptly after each annual shareholders' meeting and will hold office until a successor is appointed, they are removed by the Board or they cease to be directors of the Company.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and will be filled by the Board if the membership of the Committee falls below 3 directors.

4. Committee Structure and Operations

a. Chair

The Board will appoint one Committee member to act as its chair (the " **Chair**"), provided that if the Board does not so designate a Chair, the Committee, by a majority vote, may designate a Chair. The Chair may be removed at any time at the discretion of the Board. The incumbent Chair will continue in office until a successor is appointed or he or she is removed by the Board or ceases to be a director of the Company. If the Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

b. Meetings

The Chair will be responsible for developing and setting the agenda for Committee meetings and determining the time, place and frequency (which shall be at least quarterly) of Committee meetings, provided that any member of the Committee or the external auditor may call a Committee meeting.

c. Notice

i. Notice of the time and place of every Committee meeting will be given verbally or in writing to each member of the Committee and to the Chair of the Board, the Chief Executive Officer ("**CEO**") and the Chief Financial Officer (" **CFO**") of the Company at least 24 hours prior to the time fixed for such meeting.

ii. The external auditor of the Company will be given notice of every Committee meeting and, at the expense of the Company, will be entitled to attend and be heard thereat.

iii. If requested by a Committee member, the external auditor will attend every Committee meeting held during such external auditor's term of office.

d. Quorum

A majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. At Committee meetings, Committee actions shall require approval of a majority of Committee members.

e. Attendees

The Committee may invite any directors, officers and employees of the Company and any advisors as it sees fit from time to time to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee. The Committee will meet *in camera* at each meeting.

f. Secretary

The Committee will appoint a secretary to the Committee who need not be a director or officer of the Company.

g. Records

Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Chair for review and approval.

5. Committee and Charter Review

The Committee will annually review and assess its performance, effectiveness and contribution, including an evaluation of whether this Charter appropriately addresses the matters that are and should be within its scope. The Committee will conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board, including any recommended changes to this Charter and to the Company's policies and procedures.

6. Reporting to the Board

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

III. RESPONSIBILITIES

1. Financial Reporting

a. The Committee is responsible for:

i. discussing with management, the internal audit function and the external auditor the quality and acceptability of accounting and financial reporting standards;

ii. discussing with management, the internal audit function and the external auditor the Company's internal controls and the integrity of the financial reporting and related attestations by the external auditors of the Company's internal controls over financial reporting;

iii. in the course of discussion with management, the internal audit function and the external auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved; and

iv. engaging the external auditor to perform a review of the interim financial statements required to be prepared by any applicable law, regulation, rule or listing standard and reviewing their findings; however, no formal report from the external auditor will be required.

2. External Auditor

a. The Company's external auditor is required to report directly to the Committee.

b. The Committee is responsible for recommending to the Board:

i. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

ii. the compensation of the external auditor.

c. The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

d. The Committee is responsible for reviewing and approving the proposed audit scope, focus areas, timing and key decisions (e.g., materiality, reliance on internal audit) underlying the audit plan and the appropriateness and reasonableness of the proposed audit fees.

3. Relationship with the External Auditor

The Committee is responsible for:

a. establishing effective communication processes with management, the Board and the external auditor so that it can objectively monitor the quality and effectiveness of the external auditor's relationship with management and the Committee;

b. receiving and reviewing regular reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report;

c. meeting regularly with the external auditor without management present;

d. considering and reviewing with management the internal control memorandum or management letter containing the external auditor's recommendations and management's response, if any, including an evaluation of the adequacy and effectiveness of the Company's internal financial controls and procedures for financial reporting and following up with respect to any identified weaknesses;

e. receiving and reviewing, at least as frequently as required by any applicable law, regulation, rule or listing standard, a report by the external auditor describing its internal quality control procedures and all relationships between the external auditor or any affiliates thereof and the Company or persons in financial reporting oversight roles at the Company that, as of the report's date, may reasonably be thought to bear on independence, and discussing with the external auditor the potential effects of such relationships;

f. reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditors; and

g. pre-approving all audit and non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor where such pre-approval is required by any applicable law, regulation, rule or listing standard.

The Committee may delegate the pre-approval of services provided by the external auditor to one or more members of the Committee, which member(s) shall be independent to the extent required by any applicable law, regulation, rule or listing standard. Any such delegate shall report his or her approvals to the Committee at the next scheduled meeting.

4. Accounting Policies

The Committee is responsible for:

a. reviewing the Company's accounting policy note to ensure completeness and acceptability with the accounting standards adopted by the Company as part of the approval of the financial statements;

b. reviewing with management and the external auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

c. discussing with management and the external auditor the acceptability, appropriateness (within the range of acceptable options and alternatives), degree of aggressiveness/conservatism and quality of underlying accounting policies, disclosures and key estimates and judgments; and

d. discussing with management and the external auditor the clarity and completeness of the Company's financial and non-financial disclosures.

5. Financial Risk Management and Financial Reporting Compliance

The Committee is responsible for:

a. reviewing, with Company counsel and applicable members of management, compliance and legal matters that could have a significant impact on the Company's financial statements, including pending or threatened material litigation and material correspondence with securities regulators;

b. discussing the Company's policies with respect to the Company's major financial risk exposures and the steps management and the Risk Committee have undertaken to control them;

c. to the extent permitted by law, considering waivers of the Code of Conduct and Ethics applicable to members of the Compensation, Nominating and Governance Committee, and if appropriate, granting any such waivers; and

d. in consultation with management, the Risk Committee and the internal audit function, identifying the principal financial risks and deciding on the Company's "appetite" for such financial risks.

6. Controls and Control Deviations

a. The Committee is responsible for reviewing and discussing:

i. management's annual plan for monitoring of internal controls over financial reporting;

ii. the plan and scope of the annual audit with respect to planned reliance and testing of controls;

iii. major points contained in the auditor's management letter resulting from control evaluation and testing; and

iv. the Company's disclosure controls and procedures, including the Company's disclosure policy, and any significant deficiencies in or material non-compliance with, such controls and procedures.

b. The Committee is also responsible for:

i. reviewing plans of the external auditors to ensure the combined evaluation and testing of controls is comprehensive, well coordinated, cost effective and appropriate to risks, business activities and changing circumstances;

ii. receiving from management and the external auditors regular reports on all major control deviations, or indications/detection of fraud, and how such control breakdowns have been corrected;

iii. meeting regularly with management without the external auditor present; and

iv. reviewing the risk of management's ability to override the Company's internal controls.

c. The Committee shall review and discuss with the Company's CEO and CFO the process for the certifications to be provided and receive and review any disclosure from the Company's CEO and CFO made in connection with the required certifications of the Company's quarterly and annual reports filed, including:

i. any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data; and

ii. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

d. The Committee shall establish and maintain procedures for:

i. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls over financial reporting, or auditing matters; and

ii. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

e. The Committee shall review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions, and review, approve or ratify all related-party transactions as applicable.

f. The Committee shall institute and oversee special investigations, as needed.

7. Internal Audit

a. The Company's internal audit function is required to report directly to the Committee.

b. The Committee is responsible for the appointment, remuneration, replacement, reassignment, or removal of the head of the internal audit function.

c. The Committee is responsible for conducting an annual review of the performance of the internal audit function and assessing the effectiveness and operational adequacy of the department.

d. The Committee is responsible for reviewing and approving the proposed internal audit scope, focus areas, timing and key decisions underlying the internal audit plan and the appropriateness and reasonableness of the proposed budget and resource plan.

8. Relationship with the Internal Audit Function

The Committee is responsible for:

a . establishing effective communication processes with management, the Board and the internal audit function so that it can objectively monitor the quality and effectiveness of the internal audit function's relationship with management and the Committee;

b. meeting regularly with the internal audit function without management and the external auditor present;

c. reviewing and approving at least annually the internal audit function's internal audit charter; and

d. receiving and reviewing regular reports from the internal audit function on the progress against the approved internal audit plan, important findings, and recommendations for improvements.

9. Public Disclosure of Financial Information and Other Public Disclosure

In connection with the public disclosure of financial information and other public disclosure, the Committee shall:

a. review the Company's annual and interim financial statements, MD&A, prospectus-type documents, earnings press releases (including financial outlook, future-oriented financial information and other forward-looking information) and other disclosure material filed with any securities commission before the Company publicly discloses this information and, if appropriate, recommend for approval by the Board, focusing particularly on:

i. any changes in accounting policies and practices;

ii. any material areas where judgment must be exercised;

iii. the going concern assumption, if any;

iv. compliance with accounting standards;

v. the use of non-IFRS measures; and

vi. subject to the advice of internal or external legal counsel, compliance with applicable laws, regulations, rules and listing standards;

b. review with management its evaluation of the Company's procedures and controls designed to assure that information required to be disclosed in the Company's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable laws, regulations, rules and listing standards for the filing of such reports, and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such disclosure controls;

c. as applicable, establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;

d. satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures; and

e. to the extent deemed appropriate, review and supervise the preparation by management of:

i. any information of the Company required to be filed by the Company with applicable securities regulators or stock exchanges;

ii. press releases of the Company containing material financial information, earnings guidance, forward-looking statements, information about operations or any other material information;

iii. correspondence broadly disseminated to the shareholders of the Company; and

iv. other relevant material written and oral communications or presentations.

10. Other Responsibilities

a. The Chair of the Committee is responsible for setting forth the Committee's expectations with respect to information (e.g., nature, level of detail, timing, reports, etc.) and ensuring the information received is responsive to important performance measures and to the key risks the Committee oversees.

b. The Committee is responsible for, and has the explicit authority, to investigate any matters that fall within the Committee's responsibilities.

11. Limitation on Duties of the Committee

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and any external advisors, including the external auditor, in accordance with its business judgment. Committee members are not full-time Company employees and are not, and do not represent themselves to be, professional accountants or auditors. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Committee to (i) plan or conduct any audits, (ii) determine or certify that the Company's financial statements are complete, accurate, fairly presented or in accordance with IFRS or GAAP, as applicable, and applicable laws, regulation, rules or listing standards, (iii) guarantee the external auditor's reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, the accuracy and completeness of the information provided and management's representations as to any audit or non-audit services provided by the external auditor.

Nothing in this Charter is intended or may be construed as to impose on any Committee member or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the Company's amended and restated articles of incorporation or by-laws or any law, regulation, rule or listing standard to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws, regulations, rules and listing standards. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to Company securityholders or other liability whatsoever.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "Lightspeed", "we", "us" or "our" refer to Lightspeed Commerce Inc. together with our subsidiaries, on a consolidated basis as constituted on March 31, 2025.

This MD&A dated May 22, 2025, for the three months ended March 31, 2025 and 2024 and the years ended March 31, 2025 ("Fiscal 2025") and 2024 ("Fiscal 2024"), should be read in conjunction with the Company's audited consolidated financial statements and the notes related thereto for the years ended March 31, 2025 and 2024, included elsewhere in this annual report. The financial information presented in this MD&A is derived from the Company's audited annual consolidated financial statements for Fiscal 2025 and Fiscal 2024, which has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts are in U.S. dollars except where otherwise indicated.

We have prepared this MD&A with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Under the U.S./Canada Multijurisdictional Disclosure System, we are permitted to prepare this MD&A in accordance with Canadian disclosure requirements, which requirements are different than those of the United States.

Additional information relating to Lightspeed, including our most recently completed Annual Information Form and our Annual Report on Form 40-F for the fiscal year ended March 31, 2025, is available on our website at investors.lightspeedhq.com and can be found on SEDAR+ at www.sedarplus.com and EDGAR at www.sec.gov.

Forward-looking Information

This MD&A 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 inflationary pressures, interest rates and global economic uncertainty; our expectations regarding the costs, timing and impact of reorganizations and cost reduction initiatives and personnel changes; our expectations regarding our growth strategy focused on retail customers in North America and hospitality customers in Europe and our strategies for customers in other geographies and verticals, our expectations regarding capital expenditures and capital allocation strategies; geopolitical instability, terrorism, war and other global conflicts such as the Russian invasion of Ukraine and the Israel-Hamas war; and expectations regarding industry and consumer spending trends, our growth rates, the achievement of advances in and expansion of our platform, our focus on complex, high GTV customers, 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 pricing and packaging initiatives; our gross margins and future profitability, acquisition, investment or divestiture outcomes and synergies, the impact of pending and threatened litigation, the impact of foreign currency fluctuations and the use of hedging on our results of operations, our business plans and strategies and our competitive position in our industry is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved", the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

This forward-looking information and other forward-looking information are 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 as at the date of the forward-looking information. 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. Certain assumptions made in respect of our ability to

build our market share, including among high GTV customers; our ability to enter new markets and industry verticals; our ability to attract, develop and retain key personnel; our ability to execute our succession planning; our ability to manage supply chain risk; our ability to manage and maintain integrations between our platform and certain third-party platforms; our ability to execute on our business and operational strategy; our ability to execute on our expansion plans; our ability to execute on reorganizations and cost reduction initiatives; our ability to execute on our growth strategy focused on retail customers in North America and hospitality customers in Europe and our strategies for customers in other geographies and verticals; our ability to continue investing in infrastructure and implement scalable controls, systems and processes to support our growth; our ability to prevent and manage information security breaches or other cybersecurity threats; our ability to protect our intellectual property rights and the risk of claims by third parties of intellectual property infringement; the impact of class actions and other pending and threatened litigation; the impact of any external stakeholder activism; the pricing of our offerings; our ability to successfully execute our pricing and packaging initiatives; our ability to successfully sell our POS and payments solutions as one unified platform to both new and existing customers; our ability to effectively scale and manage risks related to our merchant cash advance program; our ability to selectively pursue strategic opportunities, successfully integrate the companies we have acquired and to derive the benefits we expect from the acquisition thereof; our ability to successfully make future investments in our business through capital expenditures; our ability to successfully execute our capital allocation strategies, including our share repurchase program; our ability to obtain and maintain financing on acceptable terms; currency exchange and interest rates, including inflation; seasonality in our business and in the business of our customers; the impact of intensifying competition; the changes and trends in our industry or the global economy, including changes in consumer spending; the possibility of further goodwill or other impairments; the impact of uncertainty and changes as a result of elections and changes in administrations in the U.S., Canada and Europe (including the impacts of tariffs, trade wars, or other trade conditions or protective government actions); environmental risks and the impact of certain natural disasters on our business and our customers; and changes in laws, rules, regulations, and global standards are material factors in preparing forward-looking information and management's expectations.

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, is 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 factors described in the "Summary of Factors Affecting our Performance" section of this MD&A, in the "Risk Factors" section of our Annual Information Form dated May 22, 2025, and in our other 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.sedarplus.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 to be incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates and assumptions referred to above and described in greater detail in this MD&A should be considered carefully by prospective investors.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking information is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this MD&A represents our expectations as of the date hereof or as of the date it is otherwise stated to be made, as applicable, and is 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.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

This MD&A includes certain trademarks, including "Lightspeed", "NuORDER" and other trademarks, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks referred to in this MD&A may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks.

Additional information relating to Lightspeed, including our most recently completed Annual Information Form, can be found on SEDAR+ at www.sedarplus.com and EDGAR at www.sec.gov.

Overview

Lightspeed offers a cloud-based commerce platform that connects suppliers, merchants and consumers while enabling omni-channel experiences. Our software platform provides our customers with the critical functionality they need to engage with consumers, manage their operations, accept payments, and grow their businesses. We serve customers globally, empowering single- and multi-location retailers, restaurants, golf course operators and other businesses to compete successfully in an omni-channel market environment by engaging with consumers across online, mobile, social, and physical channels. We primarily target sophisticated small and medium-sized businesses ("SMBs") with our easy to use and cost efficient solutions. The majority of our revenue is recurring or reoccurring and we have a track-record of growing revenue per customer over time. Our differentiated product offerings have enabled us to develop a competitive position, particularly for retail customers in North America and hospitality customers in Europe.

Our cloud platform is designed around three interrelated elements: omni-channel consumer experience, a comprehensive back-office operations management suite to improve our customers' efficiency and insight, and the facilitation of payments. Key functionalities of our platform include full omni-channel capabilities, point of sale ("POS"), product and menu management, kitchen display system ("KDS"), employee and inventory management (including ordering), analytics and reporting, multi-location connectivity, order anywhere and curbside pickup functionality, loyalty, customer management and tailored financial solutions such as Lightspeed Payments and Lightspeed Capital. By delivering our solutions through the cloud, we enable merchants to reduce dependency on the brick and mortar channel and interact with customers anywhere (in store, online, mobile and social), gain a deeper understanding of their customers and operations by tracking activity and key metrics across all channels, and update inventory, run analytics, change menus, send promotions and otherwise manage their business operations from any location.

Our flagship solutions include Lightspeed Restaurant, a unified hospitality commerce offering, and Lightspeed Retail, a retail commerce offering that unites advanced POS, payments, and eCommerce into one cohesive and powerful solution. In addition, Lightspeed eCommerce allows merchants to enhance omnichannel reach and increase selling flexibility, including through social media platforms and digital marketplaces. Our flagship solutions are seeing strong reception from customers globally, particularly among retail customers in North America and hospitality customers in Europe. We also continue to advance our strategy of expanding our presence within our key verticals, including with our Lightspeed Retail and Lightspeed NuORDER integration. This brings together brands and retailers as part of a wholesale network that is transforming how retailers and suppliers do wholesale commerce and enhancing how they complete inventory replenishment ordering. We are further focused on expanding our catalog content across both new and existing verticals, streamlining the process for retailers to manage their store data and simplify operational tasks. We believe our continued investment in this strategy represents an opportunity for us to distinguish ourselves from competitors.

Our position at the point of commerce puts us in a prime position for payment processing and allows us to collect transaction-related data insights. Our transaction-based revenue was $697.3 million for Fiscal 2025, an increase of 28% from the $545.5 million in transaction-based revenue for Fiscal 2024. This was primarily driven by increased customer adoption of our payments solutions resulting in an increase of 40% in GPV[1] compared to Fiscal 2024. We began selling our POS and payments solutions together as one unified offering at the beginning of Fiscal 2024 and have increased our payments penetration as a result. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. We believe processing additional GTV for new and existing customers through our payments solutions helps advance our growth strategies and enables us to reduce complexity in our business. In addition, this initiative helps reduce the costs of supporting a variety of third party payment processors.

Our platform is built to scale with our customers, supporting them as they open new locations, and offering them increasingly sophisticated solutions as their business requirements become more complex. Our platform helps SMBs avoid having to piece together multiple, and often disjointed, applications from various providers to leverage the technology they need to run and grow their businesses. Our ecosystem of development, channel and installation partners further reinforces the scalability of our solutions, making them customizable and extensible. We work alongside our customers through their business journey by providing onboarding and support services, and fundamentally believe that our success is directly connected to their success. Excluding the Ecwid eCommerce standalone product, our monthly ARPU[1] was approximately $489 as at March 31, 2025 as compared to approximately $431 as at March 31, 2024.

[1] Refer to the section entitled "Key Performance Indicators".

To further complement our core cloud solutions, we offer a merchant cash advance program called Lightspeed Capital. This program provides cash advances to eligible merchants and is designed to help them with overall business growth and cash management. Merchants use these cash advances to manage their cash flows, to buy inventory, and to invest in marketing, amongst other things.

We sell our solutions primarily through our direct sales force in North America, Europe, the UK, Australia and New Zealand, supplemented by indirect channels in other countries around the world. Our platform is well-suited for various types of SMBs, particularly single- and multi-location retailers with complex operations, such as those with a high product count, diverse inventory needs or a service component, golf course operators and hospitality customers. We intend to focus our efforts primarily on retail customers in North America and hospitality customers in Europe.

We remain focused on attracting the right customer profile, particularly customers with a higher GTV and more complex needs, merchants which we believe are ideally suited for our industry-leading solutions. For Fiscal 2025, GPV was $33.9 billion compared to $24.2 billion for Fiscal 2024, representing growth of 40%. For Fiscal 2025, our cloud-based software-as-a-service platform processed GTV[1] of $91.3 billion compared to $90.7 billion of GTV processed during Fiscal 2024. For the three months ended March 31, 2025, GPV was $7.9 billion compared to $6.6 billion for the three months ended March 31, 2024, representing growth of 19%.

As at March 31, 2025, we had Customer Locations in over 100 countries. When excluding eCommerce sites, the majority of our Customer Locations were retail customers in North America and hospitality customers in Europe.

We believe we have a distinct leadership position in SMB commerce given our scale, breadth of capabilities, and diversity of customers. We generate revenue primarily from the sale of cloud-based software subscriptions and our payments solutions. We offer pricing plans designed to meet the needs of our current and prospective customers that enable Lightspeed solutions to scale with SMBs as they grow. Our subscription plans vary from monthly plans to one-year and multi-year terms. We have also integrated our software with various third party payment processors who pay us a revenue share of the payment processing revenue for customers we refer to them. These arrangements generally predate the availability of our payments solutions in the various markets we serve, and we expect the revenue from these arrangements to continue to decrease over time as the number of our merchants using our payments solutions continues to increase.

Our total revenue has increased to $1,076.8 million for Fiscal 2025 from $909.3 million for Fiscal 2024, representing year-over-year growth of approximately 18%. For Fiscal 2025, subscription revenue accounted for 32% of our total revenues (35% for Fiscal 2024), and transaction-based revenue accounted for 65% of our total revenues (60% for Fiscal 2024).

In addition, we offer a variety of hardware and other services to provide value-added support to our merchants and supplement our subscription and transaction-based revenue solutions. These revenues are generally one-time revenues associated with the sale of hardware with which our solutions integrate and the sale of professional services in support of the installation and implementation of our solutions. For Fiscal 2025, this revenue accounted for 3% of our total revenue (5% for Fiscal 2024).

We plan to continue making deliberate investments to drive future growth including in Lightspeed NuORDER. We believe that our future success depends on a number of factors, including our ability to expand our market share among retail customers in North America and hospitality customers in Europe, execute our transformation strategy to focus on growth among retail customers in North America and hospitality customers in Europe, enhance customer experience and avail ourselves of upsell opportunities within our existing customer base, build on the successes of our payments and tailored financial solutions, add more solutions to our platform, expand our presence within verticals, and selectively pursue value-enhancing acquisitions and potential divestitures or other strategic opportunities.

We have undertaken several cost reduction initiatives including reorganizations aimed at streamlining the Company's operating model and aligning the organization with its profitable growth strategy. We will continue to invest in key product development and customer experiences.

We believe that we have significant opportunity to continue to expand ARPU given the number of customers adopting more Lightspeed products over time and that our continued investments will increase our revenue base, improve the retention of this base and strengthen our ability to increase sales to our customers. We have not generated net income to date. If we are unable to successfully implement our growth strategies and cost reduction initiatives, we may not be able to achieve net income. For Fiscal 2025 and Fiscal 2024, we incurred an operating loss of $696.0 million and $203.0 million, respectively. The operating loss for

Fiscal 2025 increased primarily due to a non-cash goodwill impairment charge of $556.4 million. Our cash flows used in operating activities for Fiscal 2025 were $32.8 million compared to $97.7 million for Fiscal 2024, and our Adjusted Free Cash Flow used[2] for Fiscal 2025 was $11.2 million compared to $64.5 million for Fiscal 2024.

Sustainability

Sustainability is embedded in our guiding principles, and we are working towards a sustainable future and a greener economy. As part of this commitment, we have taken steps to help our customers reduce their carbon footprint. We partner with GiftTrees on a Carbon Friendly Dining program. The partnership gives our customers' diners the ability to offset the carbon emissions associated with their purchase by planting trees and provides our customers with sustainable credits towards purchasing Lightspeed products. The program has resulted in the planting of over 2 million trees. In addition to helping offset carbon emissions, these trees provide food, income and education for the communities sponsored to plant the trees. We also partner with TravelPerk to offset carbon emissions for our business travel by airplane, automobile, and train. We choose to partner with companies that are also environmentally conscientious. Most of our solutions are powered by Amazon Web Services ("AWS") and Google Cloud platforms. In 2023, Google Cloud and AWS matched 100% of their annual electricity consumption with renewable energy purchases. We launched an Employee-led Network focused on sustainability, through which employees can foster awareness, advocate for impactful change, and consider eco-friendly solutions that can be integrated into our operations and community interactions.

Lightspeed is also a place of diversity, equity and inclusion, and it has been since our Chief Executive Officer Dax Dasilva founded the Company in Montreal’s Gay Village in 2005. The first four Lightspeed team members were all from the LGBTQ2S+ community and according to our latest 2024 DEI engagement survey (participation is voluntary), 11% of the respondents identify themselves as LGBTQ2S+, with 1% identifying as transgender and another 2% as an "other" gender identity. Our commitment to a diverse and inclusive workplace can be seen at all levels of our Company, including our Employee-led Networks for women, LGBTQ2S+ community members and BIPOC community members. As of the date hereof, 40% of the independent members on our board of directors are women. Furthermore, 33% of our executive officers are women. We believe in creating value across our ecosystem, including by ensuring meaningful wealth creation opportunities for all employees. Permanent employees are granted an equity stake in the Company upon hire, ensuring employees’ interests are aligned with those of our shareholders.

Macroeconomic Conditions

There continues to be uncertainty in the macroeconomic environment, including with respect to inflationary pressures, changes in consumer spending, exchange rate fluctuations, changes in interest rates, the geopolitical and social landscape and changes in trade conditions (including tariffs, trade wars and other protective government actions). This macroeconomic uncertainty makes it difficult to assess the future impact these events and conditions will have on our customer base, the end markets we serve and the resulting effect on our business and operations, both in the short term and in the long term.

Despite these ongoing risks and uncertainties, we continue to believe there is an accelerated need for our solutions in the industries we serve as SMBs look to augment traditional in-person selling models with online and digital strategies, operate with fewer employees to manage labor shortages by automating time-consuming tasks, and find new efficiencies and insights into their business. A large portion of our market is currently served by legacy on-premise systems that are expensive, complicated, outdated, and poorly equipped to help SMBs adapt to this immediate need. This represents a significant opportunity for us to continue to fuel adoption of our solutions. Lightspeed believes it is well-positioned to capitalize on this opportunity and will continue to leverage its privileged position at the point of sale to also seize our payments opportunity.

Seizing our payments opportunity means continuing to increase our GPV, which for Fiscal 2025 was $33.9 billion up 40% from $24.2 billion in Fiscal 2024. We expect changes in consumer spending or other macroeconomic conditions in the various geographies in which we operate to continue to cause variability in our GTV and GPV; however, we believe the diversity in the customer verticals and the geographies we serve will continue to be a strong asset of the business.

Additionally, the Israel-Hamas war and the Russian invasion of Ukraine have created and are expected to continue to create further global economic uncertainty. We do not have any significant operations, customers or supplier relationships in the Middle East, Russia, Belarus or Ukraine, and have ceased our selling activities to customers in Russia. We do have personnel in Russia who were brought on via our acquisition of Ecwid, and as part of our business continuity plans have relocated many outside of Russia to mitigate any reliance on the region. We will continue to monitor these situations, and related evolving sanctions and export controls, and have and may continue to adjust our business practices as required by applicable rules and regulations.

[2]Refer to the section entitled "Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios".

We continue to monitor the impact of macroeconomic events and conditions on our business, financial condition and operations, as further discussed below. Refer to the section of this MD&A entitled "Summary of Factors Affecting Our Performance", to the "Risk Factors" section of our most recent Annual Information Form, and to our other filings with Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, all of which can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov, for a discussion about the risks with which we are faced.

Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key performance indicators are also used to provide investors with supplemental measures 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 industry metrics in the evaluation of issuers. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

Average Revenue Per User. "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. When excluding Customer Locations attributable to the Ecwid eCommerce standalone product, which Customer Locations carry a lower ARPU, the monthly ARPU of our Customer Locations increased by 13% to approximately $489 per Customer Location as at March 31, 2025 compared to approximately $431 per Customer Location as at March 31, 2024. 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 has 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 term of services has 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 (this has changed prospectively as detailed below) 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 and the number of retail Customer Locations in North America and hospitality Customer Locations in Europe served by our platform is an indicator of our success in terms of market penetration and growth of our business. Excluding Customer Locations attributable to the Ecwid eCommerce standalone product, our Customer Locations decreased from approximately 165,000 as at March 31, 2024 to approximately 162,000 as at March 31, 2025 as we focus on retail Customer Locations in North America and hospitality Customer Locations in Europe as opposed to total Customer Locations.

As our POS and eCommerce solutions are packaged as a single omnichannel product, we believe the distinction between physical sites and eCommerce sites has become less meaningful. As such, in respect of periods ending after March 31, 2025, Customer Locations will no longer be calculated to include eCommerce sites and the definition of Customer Locations will be updated as follows: Customer Location means a billing merchant location for which the term of services has not ended, or in respect of 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 term of services has not ended or in respect of which we are negotiating a subscription renewal. A single unique customer can only have multiple Customer Locations if it has multiple physical sites and in the case of NuORDER, multiple subscriptions. Subscription revenue and transaction-based revenue attributable to standalone eCommerce sites is excluded from ARPU. Under this new definition, Customer Locations as at March 31, 2025 were approximately 144,000 compared to approximately 146,000 as at March 31, 2024 and the monthly ARPU of our Customer Locations increased by 13% to approximately $545 as at March 31, 2025 compared to approximately $482 per Customer Location as at March 31, 2024.

Gross Payment Volume. "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. For the three months ended March 31, 2025, GPV was $7.9 billion compared to $6.6 billion for the three months ended March 31, 2024, representing growth of 19%. For Fiscal 2025, GPV was $33.9 billion compared to $24.2 billion for Fiscal 2024, representing growth of 40%. 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. Some of our brands can accept certain payments from retailers in certain of our geographies, and we may in the future include such volume in GPV once we have further developed our payments solution for business-to-business volume.

Gross Transaction 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. For the three months ended March 31, 2025, GTV was $20.6 billion compared to $20.7 billion for the three months ended March 31, 2024, flat to the prior year. For Fiscal 2025, GTV was $91.3 billion compared to $90.7 billion for Fiscal 2024. 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. Some of our brands can accept certain payments from retailers in certain of our geographies, and we may in the future include such volume in GTV once we have further developed our payments solution for business-to-business volume.

Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios

The information presented within this MD&A includes certain non-IFRS financial measures such as "Adjusted EBITDA", "Adjusted Income" and "Adjusted Free Cash Flow" and the non-IFRS ratio "Adjusted Income per Share - Basic and Diluted". 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 liquidity 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 operating budgets and forecasts and to determine components of management compensation.

Adjusted EBITDA

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

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars)	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Net loss	(575,943)	(32,540)	(667,196)	(163,964)
Share-based compensation and related payroll taxes [1]	11,812	8,112	56,578	73,785
Depreciation and amortization [2]	23,681	27,090	100,991	109,628
Foreign exchange loss (gain) [3]	(668)	501	594	882
Net interest income [2]	(8,401)	(10,524)	(36,498)	(42,531)
Acquisition-related compensation [4]	157	—	366	3,105
Transaction-related costs [5]	38	1,766	5,167	2,208
Restructuring [6]	1,430	5,422	17,503	7,206
Goodwill impairment [7]	556,440	—	556,440	—
Litigation provisions [8]	98	2,782	12,055	7,470
Income tax expense	4,290	1,782	7,687	3,476
Adjusted EBITDA	12,934	4,391	53,687	1,265

(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, 2025, share-based compensation expense was $12,622 and $55,605, respectively (March 2024 - expense of $10,415 and $72,918 excluding $1,995 of share-based compensation expense acceleration that was classified as restructuring), and related payroll taxes were a recovery of $810 and an expense of $973, respectively (March 2024 - recovery of $2,303 and an expense of $867). 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, 2025, net loss includes depreciation of $1,239 related to right-of-use assets, interest expense of $280 on lease liabilities, and excludes an amount of $2,128 relating to rent expense ($2,418, $314, and $1,844, respectively, for the three months ended March 31, 2024). For Fiscal 2025, net loss includes depreciation of $5,220 related to right-of-use assets, interest expense of $1,306 on lease liabilities, and excludes an amount of $8,509 relating to rent expense ($7,946, $1,211 and $7,814, respectively, for Fiscal 2024).

(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.

(6) Certain functions and the associated management structure were reorganized to realize synergies and ensure organizational agility. During Fiscal 2025, we announced and implemented reorganizations aimed at streamlining the Company's operating model and aligning the organization with its profitable growth strategy. The expenses associated with reorganization initiatives 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 in the three months ended March 31, 2025 (see note 16 of the audited annual consolidated financial statements for additional details).

(8) These amounts represent provisions taken, settlement amounts and other costs, such as legal fees, incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnifications. These amounts are included in general and administrative expenses (see note 24 of the audited annual consolidated financial statements for additional details).

Adjusted Income and Adjusted Income per Share - Basic and Diluted

Adjusted Income is defined as net loss excluding amortization of intangibles, as adjusted for share-based compensation and related payroll taxes, compensation expenses relating to acquisitions completed, transaction-related costs, restructuring, litigation provisions, deferred income tax expense (recovery) and goodwill impairment. We use this measure as we believe excluding amortization of intangibles and certain other non-cash or non-operational expenditures provides a helpful supplementary indicator of our business performance as it allows for more accurate comparability across periods. Adjusted Income per Share - Basic and Diluted is defined as Adjusted Income divided by the weighted average number of common shares (basic and diluted). We use Adjusted Income per Share - Basic and Diluted to provide a helpful supplemental indicator of the performance of our business on a per share (basic and diluted) basis. The following table reconciles net loss to Adjusted Income for the periods indicated:

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars, except number of shares and per share amounts)	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Net loss	(575,943)	(32,540)	(667,196)	(163,964)
Share-based compensation and related payroll taxes [(1)]	11,812	8,112	56,578	73,785
Amortization of intangible assets	20,820	22,882	88,432	95,048
Acquisition-related compensation[(2)]	157	—	366	3,105
Transaction-related costs[(3)]	38	1,766	5,167	2,208
Restructuring[(4)]	1,430	5,422	17,503	7,206
Goodwill impairment[(5)]	556,440	—	556,440	—
Litigation provisions[(6)]	98	2,782	12,055	7,470
Deferred income tax expense (recovery)	154	102	191	(323)
Adjusted Income	15,006	8,526	69,536	24,535
Weighted average number of Common Shares – basic and diluted[(7)]	152,106,608	154,863,581	153,676,514	153,765,412
Net loss per share – basic and diluted	(3.79)	(0.21)	(4.34)	(1.07)
Adjusted Income per Share – Basic and Diluted	0.10	0.06	0.45	0.16

(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, 2025, share-based compensation expense was $12,622 and $55,605, respectively (March 2024 - expense of $10,415 and $72,918 excluding $1,995 of share-based compensation expense acceleration that was classified as restructuring), and related payroll taxes were a recovery of $810 and an expense of $973, respectively (March 2024 - recovery of $2,303 and an expense of $867). 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) 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.

(3) 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.

(4) Certain functions and the associated management structure were reorganized to realize synergies and ensure organizational agility. During Fiscal 2025, we announced and implemented reorganizations aimed at streamlining the Company's operating model and aligning the organization with its profitable growth strategy. The expenses associated with reorganization initiatives were recorded as a restructuring charge (see note 24 of the audited annual consolidated financial statements for additional details).

(5) This amount represents a non-cash goodwill impairment charge in the three months ended March 31, 2025 (see note 16 of the audited annual consolidated financial statements for additional details).

(6) These amounts represent provisions taken, settlement amounts and other costs, such as legal fees, incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnifications. These amounts are included in general and administrative expenses (see note 24 of the audited annual consolidated financial statements for additional details).

(7) For the three months and fiscal year ended March 31, 2025, because the impact of including potentially-dilutive shares in the Weighted average number of Common Shares - basic and diluted would not result in a change in the Adjusted Income per Share - Basic and Diluted, the Weighted average number of Common Shares - basic and diluted was not adjusted to include the potentially-dilutive shares.

Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as cash flows from (used in) operating activities as adjusted for the payment of amounts related to capitalized internal development costs, the payment of amounts related to acquiring property and equipment and certain cash inflows and outflows associated with merchant cash advances. We use this measure as we believe including or excluding certain inflows and outflows provides a helpful supplemental indicator to investors of the Company's ability to generate cash flows. The following table reconciles cash flows from (used in) operating activities to Adjusted Free Cash Flow for the periods indicated:

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars)	**2025**	**2024**	**2025**	**2024**
	$	$	$	$
Cash flows used in operating activities	(9,938)	(28,536)	(32,762)	(97,667)
Capitalized internal development costs[(1)]	(6,058)	(2,958)	(19,342)	(10,678)
Additions to property and equipment [(2)]	(941)	(3,315)	(3,781)	(7,506)
Merchant cash advances, net[(3)]	7,639	18,493	44,719	51,346
Adjusted Free Cash Flow	(9,298)	(16,316)	(11,166)	(64,505)

(1) These amounts represent the cash outflow associated with capitalized internal development costs. These amounts are included within the cash flows from (used in) investing activities section of the audited annual consolidated statements of cash flows. If these costs were not capitalized as an intangible asset, they would be part of our cash flows from (used in) operating activities.

(2) These amounts represent cash outflows associated with the purchase of property and equipment. These amounts are included within the cash flows from (used in) investing activities section of the audited annual consolidated statements of cash flows.

(3) These amounts represent cash outflows, including the principal advanced, and cash inflows, including the repayment of principal, in respect of merchant cash advances.

Outlook

A discussion of management's expectations as to the Company's outlook for the three months ending June 30, 2025 and fiscal year ending March 31, 2026 is contained in the Company's press release dated May 22, 2025 under the heading "Financial Outlook". The press release is available on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov. Information contained in, or otherwise accessed through, such press release is not deemed part of this MD&A and such press release and information is not incorporated by reference herein.

Summary of Factors Affecting our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below, in the "Risk Factors" section of our most recent Annual Information Form, and in our other filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, all of which can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov.

Market Adoption of our Platform

We intend to continue to drive adoption of our advanced commerce platform by scaling our solutions to meet the needs of both new and existing customers, with our focus being on complex high GTV customers, particularly retail customers in North America and hospitality customers in Europe. We believe that there is significant potential to increase penetration among retail customers in North America and hospitality customers in Europe as these are the markets in which we believe we have the strongest product-market fit. We plan to do this by further developing our products and services, further enhancing our customer experience, embedding ourselves up and down the supply chain within the ecosystem of verticals as well as continuing to invest

in marketing strategies tailored to attract new businesses to our platform. We plan to continue to invest in our platform to drive market adoption, particularly with retail customers in North America and hospitality customers in Europe, and our operating cash flows may fluctuate and our profitability may be impacted as we make these investments. Our market is large, evolving, highly-fragmented, competitive and has low barriers to entry in many of the countries in which we operate. Our competitors range from large, well-established vendors to smaller, earlier-stage ones. Competition has intensified in our industry and we expect it to continue to intensify in the future, particularly as industry consolidation occurs and as large, well-established vendors increasingly service more complex customers and shift their focus to in-person shopping and services. We are focused on selling our flagship products in certain key verticals, verticals in which we have the strongest product-market fit, as we believe these core offerings reduce complexity, help improve go-to-market momentum and help deliver stronger performance.

Customer Adoption of our Payments Solutions

We believe that our payments solutions will continue to be an important part of our business as we continue to increase their availability throughout our customer base. Our payments solutions are designed to be transparent and easy to understand, and we have priced our solutions at market competitive rates. We continue to see adoption of our payment processing solutions, which are one of the largest drivers of revenue growth for the Company. As a significant proportion of our revenue is generated from our payments solutions, we believe that while our total revenues may grow, our gross margins will be impacted by the lower gross margin profile of our transaction-based revenue stream relative to the higher gross margin profile of our subscription revenue stream. We began selling our POS and payments solutions together as one unified offering at the beginning of Fiscal 2024 and have increased our payments penetration as a result. We believe unified payments results in the best experience for customers by improving consistency and reliability, streamlining support and billing, and enhancing opportunities for them to avail themselves of innovative product functionality. In connection with our unified payments offering, we continue to support our customers with free hardware and implementation, contract buy-outs and competitive rates. As a result of this initiative, we now require our eligible new and existing customers to adopt our payments solutions. We believe processing additional GTV for new and existing customers through our payments solutions helps advance our growth strategies and enables us to reduce complexity in our business. In addition, this initiative helps reduce the costs of supporting a variety of third party payment processors. We are limited in our ability to switch certain customers to our embedded payments solution by virtue of the terms and conditions of partnerships we have with third party payments processors. Further, our third party partners have in the past and may in the future allege that we have improperly engaged with certain customers or otherwise breached our contractual obligations to them. Any such allegations could damage our reputation and brand and further expose us to a risk of litigation or other liabilities, which are costly, time consuming, distracting to management and adversely affect our ability to successfully sell our POS and payments solutions together as one unified offering.

Cross-selling and Up-selling with Existing Customers

Our existing customers represent a significant opportunity to cross-sell and up-sell products and services with significantly lower sales and marketing expense. We use a "land, onboard and expand" approach, with many of our customers initially deploying our platform for a specific use case. Once they realize the benefits and wide functionality of our platform, they can expand the number of use cases including services such as Lightspeed Advanced Insights and Lightspeed Capital. We plan to continually invest in product development, and in sales and marketing, to add more solutions to our platform and to increase the usage and awareness of our solutions. Such investments include improvements to Lightspeed NuORDER, building upon its existing foundation to enable a more seamless inventory ordering process straight from our merchants' POS. We're further developing its capabilities to provide brands with more actionable data insights on consumers and trends to optimize manufacturing and distribution. We are also focused on expanding our catalog content across both new and existing verticals, streamlining the process for retailers to manage their store data and simplify operational tasks. Additionally, we plan to invest in and adopt innovative solutions and practices. Our future revenue growth and our ability to achieve and maintain profitability are dependent upon our ability to maintain existing customer relationships and to continue to expand our customers' use of our comprehensive suite of solutions. Customer experience, retention and expansion of the suite of solutions will be particularly important drivers for our customers.

Pricing Decisions and Initiatives

We generate revenue primarily from the sale of cloud-based software subscriptions and our payments solutions. We offer pricing plans designed to meet the needs of our current and prospective customers that enable Lightspeed solutions to scale with SMBs as they grow. Our subscription plans vary from monthly plans to one-year and multi-year terms. We have changed our pricing models from time to time and expect to do so in the future. See the risk factor in our Annual Information Form titled "*Our pricing decisions may fail to generate expected results and may adversely affect our ability to attract new merchants and retain existing merchants*" for more information on the risks related to our pricing decisions and initiatives.

Use of Artificial Intelligence and Machine Learning in our Solutions and Operations

We, and many of our partners and suppliers, have and will continue to incorporate artificial intelligence, or AI, solutions into our business and operations from time to time. As with many innovations, AI presents risks and challenges that could affect its further development, adoption, and utilization, and therefore affect our business. If the content, recommendations or analyses that AI applications assist in producing are or are alleged to be deficient or inaccurate, we could be subject to competitive risks, potential legal or financial liability, and reputational harm. The use of AI applications may also result in cybersecurity or privacy incidents. Any such incidents related to our use of AI applications could adversely affect our business. In addition, AI may present emerging ethical issues. If our use of AI becomes controversial, we may experience reputational harm or other liabilities. Further, given the nascence of AI, factors that may impact AI, such as government regulations and market demand, are uncertain, and we may be unsuccessful in our product development efforts.

Our competitors or other third parties may also incorporate AI into their products and operations. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired, which may adversely affect our business and results of operations. See the risk factor in our Annual Information Form titled "*Development of AI and its integration to our operations could present risks and challenges to our business*" for more information on the risks related to the use of artificial intelligence and machine learning in our solutions and operations.

Economic Conditions and Resulting Consumer Spending Trends

Our performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact our operations or our customers' operations. Such conditions and events may adversely affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. Deterioration in general economic conditions, including any rise in unemployment rates, inflation, tariffs and increases in interest rates, have adversely affected in the past and may in the future adversely affect consumer spending, consumer debt levels and payment card usage, and as a result, have adversely affected in the past and may in the future adversely affect our financial performance by reducing the number of transactions or average purchase amount of transactions processed using our payments solutions. Deterioration in general economic conditions may also cause financial institutions to restrict credit lines to cardholders or limit the issuance of new cards to mitigate cardholder credit concerns, which could also reduce the number or average purchase amount of transactions processed using our payments solutions. Many of the customers that use our platform are SMBs and many are also in the entrepreneurial stage of their development. SMBs may be disproportionately affected by the aforementioned economic conditions or economic downturns, especially if they sell discretionary goods. SMBs may also be disproportionately affected by other economic conditions, including labor shortages and global supply chain issues. SMBs frequently have limited budgets and may choose to allocate their spending to items other than our platform, especially in times of economic uncertainty or recessions. Economic, political and geopolitical uncertainties, including those related to elections and changes in administrations in the U.S., Canada and Europe (including the impacts of tariffs, other trade conditions or protective government actions), the Israel-Hamas war and Russia's invasion of Ukraine may further amplify such risks.

Economic downturns have and may continue to adversely impact retail and hospitality sales, which could result in us processing lower payments volumes and customers who use our platform going out of business or deciding to stop using our services in order to conserve cash. Moreover, our customers that run restaurants or customers in certain of our retail verticals operate in industries which are intensely competitive and subject to heightened exposure to economic conditions affecting consumer discretionary spending, resulting in overall risk and a rate of failure that are typically greater than for businesses generally.

Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business. Uncertain and adverse economic conditions may also lead to increased write-offs of our trade receivables, and refunds and chargebacks or potential losses to our merchant cash advance program, any of which could adversely affect our business.

Scaling our Sales and Marketing Team

Our ability to achieve significant growth in future revenue will largely depend upon the effectiveness of our sales and marketing efforts globally. The majority of our sales and marketing efforts are accomplished in-house, and we believe the strength of our sales and marketing team is critical to our success. We have invested and intend to continue to invest meaningfully in terms of expanding our sales force, and consequently, we anticipate that our sales headcount will increase as a result of these investments. To complement this strategy, we invest in outbound-led lead generation, particularly focusing on retail customers in North America and hospitality customers in Europe, and complex merchants and restaurateurs with high annual GTV. Our outbound-led lead generation involves the use of field sales teams and in-office outbound sales. In Fiscal 2025, as part of our transformation

strategy, we have begun to enhance our go-to-market strategy with more targeted outbound efforts, field sales, and local marketing expansion. This includes the use of verticalized sales and marketing execution to help maximize efficiency and win customers, including deepening supplier integration in our target verticals for retail customers in North America. For hospitality customers in Europe, we have begun scaling field sales teams and local marketing to support growing lead volume.

Retaining and Motivating Qualified Personnel

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. Our ability to identify, hire, develop, motivate and retain qualified personnel will directly affect our ability to maintain and grow our business, and such efforts will require significant time, expense and attention. Our ability to continue to attract and retain highly skilled personnel, specifically employees with technical and engineering skills, employees with high levels of experience in designing and developing software and internet-related services, and employees with skills in emerging technologies such as artificial intelligence, will be critical to our future success and demand and competition for such talent is high. We are also substantially dependent on our direct sales force to obtain new customers and increase sales to existing customers, including with respect to our scaling outbound go-to-market motion for retail customers in North America and scaling field sales motion for hospitality customers in Europe. There is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training, and retaining a sufficient number of sales personnel to support our growth. While we have in the past issued, and intend to continue to issue, options, restricted share units or other equity awards as key components of our overall compensation, employee attraction and retention efforts, we are required under IFRS Accounting Standards to recognize share-based compensation expense in our operating results for employee share-based compensation under our equity grant programs which, among other factors, may increase the pressure to limit share-based compensation. Further, certain restrictions pursuant to our equity award plans limit the amount of equity awards we may grant which may require us to offer alternative forms of compensation. See the risk factor in our Annual Information Form titled "*If we are unable to hire, retain and motivate qualified personnel, our business will suffer* " for more information.

Seasonality

We believe our transaction-based revenues will continue to represent a significant proportion of our overall revenue mix as a result of customer adoption of our payments solutions, and we expect seasonality of our quarterly results to continue. We expect our overall revenue to continue to be correlated to our GPV. While we have observed seasonality for certain prior quarters, historical patterns in our business have not always been and may not in the future be a reliable indicator for our future performance.

Foreign Currency

Exchange rate fluctuations may negatively affect our results of operations. Our presentation and functional currency is the U.S. dollar. Even though we derive the largest portion of our revenues in U.S. dollars and the largest portion of our expenses in U.S. dollars, a portion of our revenues and expenses are also derived in foreign currencies. As a result, exchange rate fluctuations have and may in the future continue to negatively affect our revenue as our software subscriptions are generally billed in the local currency of the country in which the customer is located, and the underlying GTV and GPV (from which we earn transaction-based revenue) is also expected to be denominated in local currency. To the extent that we have significant revenues denominated in foreign currencies, any strengthening of the U.S. dollar would reduce our revenues as measured in U.S. dollars. Our head office and a significant portion of our employees are located in Canada, along with additional presence in the United States, Europe, Australia and New Zealand. In addition to U.S. dollars, a large amount of our expenses are incurred in Canadian dollars and Euros with a smaller proportion of expenses incurred in other foreign currencies. As a result, our expenses may be adversely impacted by a decrease in the value of the U.S. dollar relative to these currencies but primarily the Canadian dollar and the Euro.

We have a hedging program to mitigate the impact of foreign currency fluctuations on future cash flows and expenses by entering into foreign exchange forward contracts which we have designated as cash flow hedges. Our hedging program does not mitigate the impact of foreign currency fluctuations on our revenue. We do not have foreign exchange forward contracts in place with respect to all currencies in which we currently do business but may, from time to time, enter into additional foreign exchange forward contracts in respect of other foreign currencies. Currency hedging entails a risk of illiquidity and, to the extent that the applicable foreign currency fluctuates in value against the U.S. dollar, the use of hedges could result in losses greater than if the hedging had not been used. There can be no assurance that our hedging strategies, if any, will be effective in the future or that we will be able to enter into foreign exchange forward contracts on satisfactory terms. See the "Risk Factors" section of our most recent Annual Information Form, which can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov, for a discussion on exchange rate fluctuations.

Selective Pursuit of Acquisitions and Strategic Opportunities

We have complemented our organic growth strategies by taking a targeted and opportunistic approach to acquisitions, identifying acquisition targets with a view to accelerating our product roadmap, increasing our market penetration, going deep into verticals and creating value for our shareholders. Throughout our history, we have accrued significant sales and marketing expertise, which we leverage to facilitate our continued expansion both organically and in integrating the companies we acquire.

We believe that we remain well-positioned to continue to grow organically and to selectively pursue new acquisitions and other strategic opportunities given our experience and scale. However, such acquisitions, investments and strategic opportunities could divert management's attention, result in operating difficulties due to a lack of timely and proper completion or integration, or otherwise disrupt our operations and adversely affect our business, operating results or financial position, regardless of whether such acquisitions, investments or strategic opportunities are ultimately completed.

Goodwill Impairment

We have incurred a non-cash impairment charge for goodwill and may incur further impairment charges which would negatively impact our operating results. We account for goodwill impairment in accordance with IAS 36, Impairment of Assets, which among other things, requires that goodwill be tested for impairment at least annually. During the three months ended March 31, 2025, there were changes in macroeconomic conditions and our share price and market capitalization decreased. This led to the carrying amount of our net assets exceeding our market capitalization as at March 31, 2025. This triggered an impairment test to be performed on the Company's goodwill for our operating segment (the "Segment"), as defined in note 3 of the audited annual consolidated financial statements, which is the level at which management monitors goodwill. Our test as at March 31, 2025 resulted in a non-cash impairment charge of $556.4 million related to goodwill during the three months ended March 31, 2025 as the terminal value multiple was negatively impacted by the macroeconomic conditions, and our revenue growth rate was negatively impacted by the macroeconomic impact on our customers' sales.

If the carrying value of the Segment is below the Segment's recoverable amount in the future, we may have to recognize further goodwill impairment losses in our results of operations in future periods. This could impair our ability to achieve profitability in the future. Goodwill is more susceptible to impairment risk if business operating results or economic conditions deteriorate. We are required to perform our next annual goodwill impairment analysis on December 31, 2025, or earlier should there be a goodwill impairment trigger before then. For additional information, refer to note 16 of our audited annual consolidated financial statements for Fiscal 2025.

Key Components of Results of Operations

Revenues

Subscription Revenue

We principally generate subscription-based revenue through the sale of subscriptions to our software solutions. We offer pricing plans designed to meet the needs of our current and prospective customers that enable our solutions to scale with customers as they grow. Our subscription plans are sold as monthly, one-year or multi-year plans. Subscription plans for our cloud-based solutions include maintenance and support. Customers purchase subscription plans directly from us or through our channel partners. In addition to the core subscriptions outlined above, customers can purchase add-on services such as Delivery, Advanced Insights, Accounting and Inventory, amongst others. In addition, we generate revenues through revenue sharing agreements from our partners.

Transaction-based Revenue

We generate transaction-based revenues by providing our customers with the functionality to accept payments from consumers. Such revenues come in the form of transaction fees and represent a percentage of GTV processed by our customers through our offered solutions. We generate transaction-based revenues from our payments solutions as well as our revenue sharing agreements with our integrated payment partners. The revenue sharing arrangements mainly predate the availability of Lightspeed Payments and are also the result of inherited revenue streams from some of our acquisitions. Since we do not act as the principal in these arrangements, we recognize revenue from these streams at the net amount retained by us in accordance with IFRS Accounting Standards. It also means we generally earn inferior economics as a result when compared to payments solutions in respect of which we act as principal given that we have less control of the underlying customer relationship. We have, on multiple occasions, been able to leverage our increased scale to renegotiate our relationships with our payments partners resulting in better payments economics overall. We also earn revenues from Lightspeed Capital, a merchant cash advance program pursuant to

which we purchase a designated amount of future receivables at a discount, and the customer remits a fixed percentage of their daily sales to us, until the outstanding balance has been fully remitted.

Our payments solutions allow our customers to accept electronic payments in-store, through connected terminals and online. Offering embedded payments functionality is highly complementary to the platform we offer our customers today and will allow us to monetize a greater portion of the $91.3 billion in GTV processed in Fiscal 2025.

Hardware and Other Revenue

These revenues are generally one-time revenues associated with the sale of hardware with which our solutions integrate and the sale of professional services in support of the installation and implementation of our solutions. We generate revenues through the sale of POS peripheral hardware such as our tablets, customer facing displays, KDS screens, receipt printers, networking hardware, cash drawers, payment terminals, servers, stands, bar-code scanners, and an assortment of accessories.

Although our software solutions are intended to be turnkey solutions that can be used by the customer as delivered, we provide professional services to our customers in some circumstances in the form of on-site installations and implementations. These implementation services are typically delivered through our internal integrations team or through a network of partners. Additionally, from time to time we earn one-time fees for integration work performed pursuant to certain strategic partnerships.

Direct Cost of Revenues

Subscription Cost of Revenue

Cost of subscription revenue primarily includes salaries and other employee related costs for a subset of the support team, costs associated with hosting infrastructure for our services and certain corporate overhead allocations. Significant expenses include costs of our support including total salaries and benefits, share-based compensation and related payroll taxes, data center capacity costs, professional fees and other third-party direct costs such as customer support and partner fees and amounts paid to third-party cloud service providers.

Transaction-based Cost of Revenue

Transaction-based cost of revenue primarily includes direct costs when transactions are processed using our payments solutions, direct costs related to our merchant cash advance program, salaries and other employee related costs, including share-based compensation and related payroll taxes, for a subset of the support team, and certain corporate overhead allocations. The direct costs include costs of interchange and network assessment fees, processing fees, and bank settlement fees to third-party payment processors and financial institutions involved in settlement.

Hardware and Other Cost of Revenue

Cost of these revenues primarily includes costs associated with our hardware solutions, such as the cost of acquiring the hardware inventory, including hardware purchase price, expenses associated with third-party fulfillment companies, shipping and handling and inventory adjustments, expenses related to costs of professional services provided to customers, salaries and other employee related costs, including share-based compensation and related payroll taxes, and other corporate overhead allocations.

Operating Expenses

General and Administrative

General and administrative expenses consist of salaries and other employee related costs, including share-based compensation and related payroll taxes, for finance, legal, administrative, human resources, as well as financial services. These expenses also consist of expenses related to information technology, information systems, information security, and corporate data employees which expenses are partially allocated to research and development, sales and marketing, and direct cost of revenues. General and administrative expenses also include other professional fees, transaction-related costs, litigation costs, costs associated with internal systems, the loss allowance for expected credit losses, fair value movements related to uncollectible merchant cash advances, and general corporate expenses. As a public company in the United States, it is costly for us to obtain director and officer liability insurance, and we have in the past and may in the future need to manage trade-offs between accepting reduced coverage or incurring higher costs to expand our coverage. In the longer term, we expect general and administrative expenses to

decrease as a percentage of total revenues as we focus on processes, systems and controls to enable our internal support functions to scale with the growth of our business.

Research and Development

Research and development expenses consist primarily of salaries and other employee related costs, including share-based compensation and related payroll taxes, for product-related functions including product management, core development, data, product design and development and other corporate overhead allocations. We continue to invest our research and development efforts on developing added features and solutions, as well as increasing the functionality and enhancing the ease of use of our platform, primarily for retail customers in North America and hospitality customers in Europe. These expenses give rise to tax credits primarily from the Canadian Federal Scientific Research and Experimental Development Program and the Quebec Tax Credit for the Development of e-business, or "SR&ED" and "e-business" tax credits, respectively. Although the Company's e-business tax credits are mostly refundable, a portion of e-business tax credits is non-refundable and is carried forward to reduce future Quebec income taxes payable and SR&ED tax credits are non-refundable and are carried forward to reduce future federal income taxes payable. Although not immediately, given that we are still scaling our technology group in line with anticipated growth, we expect research and development expenses to decline in proportion to total revenue as we achieve additional economies of scale from our expansion. The Company recognizes internal development costs as intangible assets only when certain criteria are met (refer to note 3 of the audited annual consolidated financial statements for more details).

Sales and Marketing

Sales and marketing expenses consist primarily of selling and marketing costs and salaries and other employee related costs, including share-based compensation and related payroll taxes, for sales and business development and marketing. Other costs within sales and marketing include costs of acquisition of new customers, travel-related expenses and corporate overhead allocations. We plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase revenues from both new and existing customers. Over time, we expect sales and marketing expenses will decline as a percentage of total revenues as we achieve additional economies of scale from our expansion and as we sell more of our technology suite, including our payments solutions, to our existing customer base.

Acquisition-related Compensation

Acquisition-related compensation expenses represent the portion of the consideration paid to acquired businesses which is contingent upon the ongoing employment or service obligations for certain key personnel of such acquired businesses, and/or on certain performance criteria being achieved. This portion of the purchase price is amortized over the related service period for those key personnel.

Results of Operations

The following table outlines our consolidated statements of loss for the three months and the fiscal years ended March 31, 2025 and 2024:

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars, except per share amounts)	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Revenues				
Subscription	87,858	81,348	344,772	322,000
Transaction-based	157,809	138,994	697,273	545,470
Hardware and other	7,752	9,874	34,781	41,800
Total revenues	253,419	230,216	1,076,826	909,270
Direct cost of revenues				
Subscription	16,852	18,508	70,753	77,585
Transaction-based	112,743	98,293	505,631	390,522
Hardware and other	11,984	13,715	50,237	55,913
Total direct cost of revenues	141,579	130,516	626,621	524,020
Gross profit	111,840	99,700	450,205	385,250
Operating expenses				
General and administrative	22,577	22,540	115,139	103,742
Research and development	30,196	27,625	120,335	129,416
Sales and marketing	58,081	57,804	234,844	234,290
Depreciation of property and equipment	1,622	1,790	7,339	6,634
Depreciation of right-of-use assets	1,239	2,418	5,220	7,946
Foreign exchange loss (gain)	(668)	501	594	882
Acquisition-related compensation	157	—	366	3,105
Amortization of intangible assets	20,820	22,882	88,432	95,048
Restructuring	1,430	5,422	17,503	7,206
Goodwill impairment	556,440	—	556,440	—
Total operating expenses	691,894	140,982	1,146,212	588,269
Operating loss	(580,054)	(41,282)	(696,007)	(203,019)
Net interest income	8,401	10,524	36,498	42,531
Loss before income taxes	(571,653)	(30,758)	(659,509)	(160,488)
Income tax expense (recovery)				
Current	4,136	1,680	7,496	3,799
Deferred	154	102	191	(323)
Total income tax expense	4,290	1,782	7,687	3,476
Net loss	(575,943)	(32,540)	(667,196)	(163,964)
Net loss per share – basic and diluted	(3.79)	(0.21)	(4.34)	(1.07)

The following table outlines share-based compensation and the related payroll taxes associated with these expenses included in the results of operations for the three months and the fiscal years ended March 31, 2025 and 2024:

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars)	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Direct cost of revenues	670	976	3,323	6,188
General and administrative	3,641	321	18,054	19,492
Research and development	4,465	2,966	18,654	25,298
Sales and marketing	3,036	3,849	16,547	22,807
Restructuring	—	1,995	—	1,995
Total share-based compensation and related payroll taxes[1]	11,812	10,107	56,578	75,780

[1] For the three months and fiscal year ended March 31, 2025, the share-based compensation expense was $12,622 and $55,605, respectively (March 2024 - expense of $10,415 and $72,918 excluding $1,995 of share-based compensation expense acceleration that was classified as restructuring), and the related payroll taxes were a recovery of $810 and an expense of $973, respectively (March 2024 - recovery of $2,303 and an expense of $867).

The decrease in share-based compensation and related payroll taxes in Fiscal 2025 was primarily driven by a reduction in the quantity and fair value of stock options and awards issued throughout the past two years compared to the two years prior, and due to awards forfeited throughout the past several quarters, including awards forfeited due to the restructurings.

Results of Operations for the Three Months and Fiscal Years Ended March 31, 2025 and 2024

Revenues

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025**	**2024**	**Change**	**Change**	**2025**	**2024**	**Change**	**Change**
	$	**$**	**$**	**%**	**$**	**$**	**$**	**%**
Revenues								
Subscription	87,858	81,348	6,510	8.0	344,772	322,000	22,772	7.1
Transaction-based	157,809	138,994	18,815	13.5	697,273	545,470	151,803	27.8
Hardware and other	7,752	9,874	(2,122)	(21.5)	34,781	41,800	(7,019)	(16.8)
Total revenues	253,419	230,216	23,203	10.1	1,076,826	909,270	167,556	18.4
Percentage of total revenues								
Subscription	34.7 %	35.3 %			32.0 %	35.4 %		
Transaction-based	62.3 %	60.4 %			64.8 %	60.0 %		
Hardware and other	3.0 %	4.3 %			3.2 %	4.6 %		
Total	100 %	100 %			100 %	100 %		

Subscription Revenue

Subscription revenue for the three months ended March 31, 2025 increased by $6.5 million or 8% as compared to the three months ended March 31, 2024. Primary drivers for the increase included sales of our flagship solutions and increases in our pricing plans.

Subscription revenue for Fiscal 2025 increased by $22.8 million or 7% as compared to Fiscal 2024. Primary drivers for the increase included sales of our flagship solutions and increases in our pricing plans.

Transaction-based Revenue

Transaction-based revenue for the three months ended March 31, 2025 increased by $18.8 million or 14% as compared to the three months ended March 31, 2024. The increase was primarily due to continued adoption of our payments solutions as a result of our initiative to offer our POS and payments solutions together as one unified offering. We now require our eligible new and existing customers to adopt our payments solutions. This increased adoption of our payments solutions is reflected in a year-over-year increase in GPV of 19% from $6.6 billion to $7.9 billion.

Transaction-based revenue for Fiscal 2025 increased by $151.8 million or 28% as compared to Fiscal 2024. The increase was primarily due to continued adoption of our payments solutions as a result of our initiative to offer our POS and payments solutions together as one unified offering. We now require our eligible new and existing customers to adopt our payments solutions. This increased adoption of our payments solutions is reflected in a year-over-year increase in GPV of 40% from $24.2 billion to $33.9 billion.

Hardware & Other Revenue

Hardware and other revenue for the three months ended March 31, 2025 decreased by $2.1 million or 21% as compared to the three months ended March 31, 2024 due primarily to less hardware being sold to customers in the current period. The initial launch of our unified payments initiative during Fiscal 2024 increased the amount of hardware sold during Fiscal 2024.

Hardware and other revenue for Fiscal 2025 decreased by $7.0 million or 17% as compared to Fiscal 2024 due primarily to less hardware being sold to customers in the current period given the initial launch of our unified payments initiative during Fiscal 2024 which increased the amount of hardware sold during Fiscal 2024.

Direct Cost of Revenues

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Direct cost of revenues								
Subscription	16,852	18,508	(1,656)	(8.9)	70,753	77,585	(6,832)	(8.8)
Transaction-based	112,743	98,293	14,450	14.7	505,631	390,522	115,109	29.5
Hardware and other	11,984	13,715	(1,731)	(12.6)	50,237	55,913	(5,676)	(10.2)
Total direct costs of revenues	141,579	130,516	11,063	8.5	626,621	524,020	102,601	19.6
Percentage of revenue								
Subscription	19.2 %	22.8 %			20.5 %	24.1 %		
Transaction-based	71.4 %	70.7 %			72.5 %	71.6 %		
Hardware and other	154.6 %	138.9 %			144.4 %	133.8 %		
Total	55.9 %	56.7 %			58.2 %	57.6 %		

Subscription Cost of Revenue

Subscription cost of revenue for the three months ended March 31, 2025 decreased by $1.7 million or 9% as compared to the three months ended March 31, 2024. Included in subscription cost of revenue for the three months ended March 31, 2025 is $0.5 million in share-based compensation expense and related payroll taxes, compared to an expense of $0.8 million in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, subscription cost of revenue decreased by $1.4 million due to intentional cost control initiatives and efforts to find efficiencies across the Company. This decrease was driven by a decrease in salary and other employee-related costs of $1.3 million and lower software and licensing costs of $0.1 million.

Subscription cost of revenue for Fiscal 2025 decreased by $6.8 million or 9% as compared to Fiscal 2024. Included in subscription cost of revenue for Fiscal 2025 is $2.3 million in share-based compensation expense and related payroll taxes,

compared to an expense of $5.1 million in Fiscal 2024. When excluding share-based compensation and related payroll taxes, subscription cost of revenue decreased by $4.0 million due to intentional cost control initiatives and efforts to find efficiencies across the Company. This decrease was driven by a decrease in salary and other employee-related costs of $5.2 million, lower partner fees of $1.0 million and lower software and licensing costs of $0.1 million, offset by higher hosting costs of $2.2 million and higher professional fees and other costs of $0.1 million.

Transaction-based Cost of Revenue

Transaction-based cost of revenue for the three months ended March 31, 2025 increased by $14.5 million or 15% as compared to the three months ended March 31, 2024. The increase was primarily due to direct costs related to higher revenue from our payments solutions resulting from an increase in GPV from the increased adoption of our payments solutions compared to the three months ended March 31, 2024.

Transaction-based cost of revenue for Fiscal 2025 increased by $115.1 million or 29% as compared to Fiscal 2024. The increase was primarily due to direct costs related to higher revenue from our payments solutions resulting from an increase in GPV from the increased adoption of our payments solutions compared to Fiscal 2024.

Hardware and Other Cost of Revenue

Direct cost of hardware and other revenue for the three months ended March 31, 2025 decreased by $1.7 million or 13% as compared to the three months ended March 31, 2024. Included in hardware and other cost of revenue for the three months ended March 31, 2025 is $0.1 million of share-based compensation expense and related payroll taxes, compared to an expense of $0.2 million in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, hardware and other cost of revenue decreased by $1.6 million. This decrease was driven primarily by a decrease of $1.6 million due to less hardware being sold to customers in the period and lower professional fees and other costs of $0.4 million for the period, offset by higher salary and other employee-related costs of $0.4 million. The negative margins were due to discounts and incentives provided in order to encourage new business given the competitive nature of our industry and free hardware provided to assist customers in transitioning to our unified payments and POS offering. Hardware is generally discounted to facilitate the adoption of our other primary revenue streams.

Direct cost of hardware and other revenue for Fiscal 2025 decreased by $5.7 million or 10% as compared to Fiscal 2024. Included in hardware and other cost of revenue for Fiscal 2025 is $0.7 million of share-based compensation expense and related payroll taxes, compared to an expense of $1.1 million in Fiscal 2024. When excluding share-based compensation and related payroll taxes, hardware and other cost of revenue decreased by $5.3 million. This decrease was driven primarily by a decrease of $7.9 million due to less hardware being sold to customers in the period and lower software and licensing costs of $0.2 million, offset by higher professional fees and other costs of $1.3 million and higher salary and other employee-related costs of $1.5 million. The negative margins were due to discounts and incentives provided in order to encourage new business given the competitive nature of our industry and free hardware provided to assist customers in transitioning to our unified payments and POS offering. Hardware is generally discounted to facilitate the adoption of our other primary revenue streams.

Gross Profit

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025**	**2024**	**Change**	**Change**	**2025**	**2024**	**Change**	**Change**
	$	**$**	**$**	**%**	**$**	**$**	**$**	**%**
Gross profit	111,840	99,700	12,140	12.2	450,205	385,250	64,955	16.9
Percentage of total revenues	44.1 %	43.3 %			41.8 %	42.4 %		

Gross profit for the three months ended March 31, 2025 increased by $12.1 million or 12% compared to the three months ended March 31, 2024. The increase was primarily due to growth in our subscription and transaction-based revenue as a result of increases in our pricing plans, continued adoption of our flagship products and payments solutions, the latter of which was supported by our initiative to offer our POS and payments solutions together as one unified offering, as well as intentional cost control initiatives and efforts to find efficiencies across the Company. Gross profit as a percentage of revenue increased from 43% to 44% due to an increase in subscription revenue and revenue from our merchant cash advance program, and a decrease in

subscription cost of revenue, offset by a higher proportion of customers using Lightspeed Payments, which has a lower gross profit as a percentage of revenue.

Gross profit for Fiscal 2025 increased by $65.0 million or 17% compared to Fiscal 2024. The increase was due to growth in our subscription and transaction-based revenue as a result of increases in our pricing plans, continued adoption of our flagship products and payments solutions, the latter of which was supported by our initiative to offer our POS and payments solutions together as one unified offering, as well as intentional cost control initiatives and efforts to find efficiencies across the Company. Gross profit as a percentage of revenue slightly decreased from Fiscal 2024 to Fiscal 2025 mainly due to a higher proportion of customers using Lightspeed Payments, which has a lower gross profit as a percentage of revenue, offset by an increase in subscription revenue and revenue from our merchant cash advance program, and lower subscription cost of revenue.

Operating Expenses

General and Administrative

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
General and administrative	22,577	22,540	37	0.2	115,139	103,742	11,397	11.0
Percentage of total revenues	8.9 %	9.8 %			10.7 %	11.4 %		

General and administrative expenses for the three months ended March 31, 2025 remained consistent compared to the three months ended March 31, 2024. Included in general and administrative expenses for the three months ended March 31, 2025 is $3.6 million of share-based compensation expense and related payroll taxes, nil in transaction-related costs and $0.1 million in respect of provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, compared to an expense of $0.3 million, $1.8 million and $2.8 million, respectively, in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, transaction-related costs and provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, general and administrative expenses increased by $1.1 million. This increase was driven by an increase of $1.9 million related to professional fees and other expenses, offset by a decrease of $0.3 million in salary and other employee-related costs, a decrease of $0.3 million in D&O insurance and a decrease of $0.2 million in bad debt expense which includes movements in our loss allowance and fair value movements related to uncollectible merchant cash advances. Our general and administrative expenses as a percentage of revenue decreased from 10% to 9% from the three months ended March 31, 2024 to the three months ended March 31, 2025 mainly due to intentional cost control initiatives and finding efficiencies across the Company and the growth in revenue.

General and administrative expenses for Fiscal 2025 increased by $11.4 million or 11% compared to Fiscal 2024. Included in general and administrative expenses for Fiscal 2025 is $18.1 million of share-based compensation expense and related payroll taxes, $5.2 million in transaction-related costs and $12.1 million in respect of provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, compared to $19.5 million, $2.2 million and $7.5 million, respectively, in Fiscal 2024. When excluding share-based compensation and related payroll taxes, transaction-related costs and provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, general and administrative expenses increased by $5.3 million. This increase was driven by higher professional fees and other expenses of $0.8 million and a $7.5 million increase in bad debt expense which includes movements in our loss allowance and fair value movements related to uncollectible merchant cash advances. The bad debt expense has increased in line with the accelerated growth in principal issued for our merchant cash advance program. The increase was offset by a $1.1 million decrease in salary and other employee-related costs, a $1.4 million decrease in D&O insurance and lower software and licensing costs of $0.5 million. Our general and administrative expenses as a percentage of revenue slightly decreased from Fiscal 2024 to Fiscal 2025 mainly due to intentional cost control initiatives and finding efficiencies across the Company and the growth in revenue.

Research and Development

(In thousands of US dollars, except percentages)	Three months ended March 31, 2025 $	Three months ended March 31, 2024 $	Change $	Change %	Fiscal year ended March 31, 2025 $	Fiscal year ended March 31, 2024 $	Change $	Change %
Research and development	30,196	27,625	2,571	9.3	120,335	129,416	(9,081)	(7.0)
Percentage of total revenues	11.9 %	12.0 %			11.2 %	14.2 %		

Research and development expenses for the three months ended March 31, 2025 increased by $2.6 million or 9% compared to the three months ended March 31, 2024. Included in research and development expenses for the three months ended March 31, 2025 is $4.5 million of share-based compensation expense and related payroll taxes compared to $3.0 million in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, research and development expenses increased by $1.1 million driven by an increase of $1.7 million in professional fees and other expenses and higher hosting costs of $0.4 million, offset by lower salary and other employee-related costs of $1.0 million. Our research and development costs as a percentage of revenue remained at 12% from the three months ended March 31, 2024 to the three months ended March 31, 2025.

Research and development expenses for Fiscal 2025 decreased by $9.1 million or 7% compared to Fiscal 2024. Included in research and development expenses for Fiscal 2025 is $18.7 million of share-based compensation expense and related payroll taxes compared to $25.3 million in Fiscal 2024. When excluding share-based compensation and related payroll taxes, research and development expenses decreased by $2.4 million driven by intentional cost control initiatives including a $1.1 million decrease in professional fees and other expenses, lower salary and other employee-related costs of $1.8 million and lower software and licensing costs of $0.1 million, offset by higher hosting costs of $0.6 million. Our research and development costs as a percentage of revenue decreased from 14% to 11% from Fiscal 2024 to Fiscal 2025.

Sales and Marketing

(In thousands of US dollars, except percentages)	Three months ended March 31, 2025 $	Three months ended March 31, 2024 $	Change $	Change %	Fiscal year ended March 31, 2025 $	Fiscal year ended March 31, 2024 $	Change $	Change %
Sales and marketing	58,081	57,804	277	0.5	234,844	234,290	554	0.2
Percentage of total revenues	22.9 %	25.1 %			21.8 %	25.8 %		

Sales and marketing expenses for the three months ended March 31, 2025 increased by $0.3 million or 0% as compared to the three months ended March 31, 2024. Included in sales and marketing expenses for the three months ended March 31, 2025 is $3.0 million of share-based compensation expense and related payroll taxes compared to $3.8 million in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, sales and marketing expenses increased by $1.1 million driven by a $2.1 million increase related to professional fees and other expenses, a $0.8 million increase in software and licensing costs and a $1.2 million increase in other spend in sales and marketing, including marketing acquisition and growth spend, branding and trade shows. This increase was offset by lower salary and other employee-related costs of $3.0 million. As a result of our continued focus on prudent spend, our sales and marketing costs as a percentage of revenue decreased from 25% to 23% from the three months ended March 31, 2024 to the three months ended March 31, 2025.

Sales and marketing expenses for Fiscal 2025 increased by $0.6 million or 0% as compared to Fiscal 2024. Included in sales and marketing expenses for Fiscal 2025 is $16.5 million of share-based compensation expense and related payroll taxes compared to $22.8 million in the three months ended March 31, 2024. When excluding share-based compensation and related payroll taxes, sales and marketing expenses increased by $6.8 million driven by higher software and licensing costs of $3.3 million, an increase of $5.5 million in professional fees and other expenses, an increase of $3.9 million in other spend in sales and marketing, including marketing acquisition and growth spend, branding and trade shows, offset by lower salary and other employee-related costs of $2.6 million and a decrease of $3.3 million related to our annual sales, customer and partner summit, which we held in person in the prior comparable period while switching to a virtual summit this year in our efforts to find efficiencies across the

Company. As a result of our continued focus on prudent spend, our sales and marketing costs as a percentage of revenue decreased from 26% to 22% from Fiscal 2024 to Fiscal 2025.

Depreciation

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Depreciation of property and equipment	1,622	1,790	(168)	(9.4)	7,339	6,634	705	10.6
Depreciation of right-of-use assets	1,239	2,418	(1,179)	(48.8)	5,220	7,946	(2,726)	(34.3)
	2,861	4,208	(1,347)	(32.0)	12,559	14,580	(2,021)	(13.9)
Percentage of total revenues	1.1 %	1.8 %			1.2 %	1.6 %		

Depreciation of property and equipment for the three months ended March 31, 2025 decreased by $0.2 million or 9% as compared to the three months ended March 31, 2024. The decrease in the depreciation of property and equipment is impacted by fully depreciated fixed assets and additions to property and equipment throughout the last 12 months. The decrease in the depreciation of right-of-use assets of $1.2 million or 49% is impacted by lease modifications and terminations in the last 12 months.

Depreciation of property and equipment for Fiscal 2025 increased by $0.7 million or 11% as compared to Fiscal 2024. The increase in the depreciation of property and equipment is impacted by additions to property and equipment throughout the last 12 months and fully depreciated fixed assets. The decrease in the depreciation of right-of-use assets of $2.7 million or 34% is impacted by lease modifications and terminations in the last 12 months.

Foreign Exchange Loss (Gain)

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Foreign exchange loss (gain)	(668)	501	(1,169)	(233.3)	594	882	(288)	(32.7)
Percentage of total revenues	(0.3)%	0.2 %			0.1 %	0.1 %		

The company realized a foreign exchange gain for the three months ended March 31, 2025 compared to a loss for the three months ended March 31, 2024. Foreign exchange loss for Fiscal 2025 decreased compared to Fiscal 2024. Foreign exchange gains and losses arise as we have financial assets and liabilities outstanding in currencies other than the U.S. dollar, our functional currency. Items included in our results are measured in U.S. dollars and foreign currency transactions are translated into U.S. dollars using the exchange rates prevailing at the date of the transactions or when items are re-measured with resulting gains and losses subsequently recognized.

Acquisition-related Compensation

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Acquisition-related compensation	157	—	157	100.0	366	3,105	(2,739)	(88.2)
Percentage of total revenues	0.1 %	0.0 %			0.0 %	0.3 %		

Acquisition-related compensation expense for the three months ended March 31, 2025 increased by $0.2 million or 100% as compared to the three months ended March 31, 2024. Acquisition-related compensation expense for Fiscal 2025 decreased by $2.7 million or 88% as compared to Fiscal 2024. The decrease in Fiscal 2025 is due to the deferred compensation from the Ecwid and NuORDER acquisitions becoming fully amortized during Fiscal 2024. The majority of this acquisition-related compensation is tied to ongoing employment obligations in connection with certain of our acquisitions. This acquisition-related compensation is not included in the total purchase consideration, but rather is treated as an acquisition-related compensation expense for post-combination services.

Amortization of Intangible Assets

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Amortization of intangible assets	20,820	22,882	(2,062)	(9.0)	88,432	95,048	(6,616)	(7.0)
Percentage of total revenues	8.2 %	9.9 %			8.2 %	10.5 %		

Amortization of intangible assets for the three months ended March 31, 2025 decreased by $2.1 million or 9% as compared to the three months ended March 31, 2024. The decrease in amortization relates primarily to certain acquired intangible assets that became fully amortized during Fiscal 2025 offset by the amortization of internally generated intangible assets completed during Fiscal 2025.

Amortization of intangible assets for Fiscal 2025 decreased by $6.6 million or 7% as compared to Fiscal 2024. The decrease in amortization relates primarily to certain acquired intangible assets that became fully amortized during Fiscal 2025 and Fiscal 2024 offset by the amortization of internally generated intangible assets completed during Fiscal 2025.

Restructuring

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Restructuring	1,430	5,422	(3,992)	(73.6)	17,503	7,206	10,297	142.9
Percentage of total revenues	0.6 %	2.4 %			1.6 %	0.8 %		

Certain functions and the associated management structure were reorganized to realize synergies and ensure organizational agility. During Fiscal 2025, we announced and implemented reorganizations aimed at streamlining the Company's operating model and aligning the organization with its profitable growth strategy. The expenses associated with these initiatives were recorded as a restructuring charge. The restructuring expense consists primarily of cash severance costs.

Goodwill Impairment

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Goodwill impairment	556,440	—	556,440	100.0	556,440	—	556,440	100.0
Percentage of total revenues	219.6 %	0.0 %			51.7 %	0.0 %		

During the three months ended March 31, 2025, there were changes in macroeconomic conditions and our share price and market capitalization decreased. This led to the carrying amount of our net assets exceeding our market capitalization as at March 31, 2025. This triggered an impairment test to be performed for the Company's Segment. We completed an impairment test of goodwill as at March 31, 2025 using the fair value less costs of disposal method. This test demonstrated a non-cash impairment charge of $556.4 million related to goodwill during the three months ended March 31, 2025 as the terminal value multiple was negatively impacted by the macroeconomic conditions, and the Company's revenue growth rate was negatively impacted by the macroeconomic impact on the Company's customers' sales. A reduction in the terminal value multiple, an increase in the discount rate or a decrease in the revenue growth rate could cause additional impairment in the future (see note 16 of the audited annual consolidated financial statements for additional details).

Other Income

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Net interest income	8,401	10,524	(2,123)	(20.2)	36,498	42,531	(6,033)	(14.2)
Percentage of total revenues	3.3 %	4.6 %			3.4 %	4.7 %		

Net interest income is primarily comprised of interest income of $38.0 million earned on cash and cash equivalents during Fiscal 2025 offset by interest expense primarily on lease liabilities of $1.5 million for Fiscal 2025. Net interest income for Fiscal 2025 decreased by $6.0 million or 14% as compared to Fiscal 2024 due to a decrease in interest income earned in the period on cash and cash equivalents related to lower interest rates and a lower cash balance as compared to the prior comparable period.

Income Taxes

	Three months ended March 31,				Fiscal year ended March 31,			
(In thousands of US dollars, except percentages)	**2025 $**	**2024 $**	**Change $**	**Change %**	**2025 $**	**2024 $**	**Change $**	**Change %**
Income tax expense (recovery)								
Current	4,136	1,680	2,456	146.2	7,496	3,799	3,697	97.3
Deferred	154	102	52	51.0	191	(323)	514	(159.1)
Total income tax expense	4,290	1,782	2,508	140.7	7,687	3,476	4,211	121.1
Percentage of total revenues								
Current	1.6 %	0.7 %			0.7 %	0.4 %		
Deferred	0.1 %	0.0 %			0.0 %	0.0 %		
Total	1.7 %	0.8 %			0.7 %	0.4 %		

We recorded an income tax expense of $4.3 million for the three months ended March 31, 2025 compared to an income tax expense of $1.8 million for the three months ended March 31, 2024. The increase of $2.5 million in the current income tax expense primarily relates to the use of non refundable e-business tax credits in Canada to offset the income tax payable which generated an income tax expense of $2.8 million.

We recorded an income tax expense of $7.7 million for Fiscal 2025 compared to an income tax expense of $3.5 million for Fiscal 2024, resulting in an increase in deferred income tax expense of $0.5 million and an increase in current income tax expense of $3.7 million. The increase of $3.7 million in the current income tax expense primarily relates to the use of non refundable e-business tax credits in Canada to offset income tax payable which generated an income tax expense of $2.8 million.

Selected Annual Information

(In thousands of US dollars, except per share data)	Fiscal year ended March 31, 2025 $	2024 $	2023 $
Total revenues	1,076,826	909,270	730,506
Net loss	(667,196)	(163,964)	(1,070,009)
Loss per share – basic and diluted	(4.34)	(1.07)	(7.11)
Total assets	1,826,203	2,575,154	2,668,732
Total long-term liabilities	13,253	18,087	20,826

See "Results of Operations" in this MD&A for a more detailed discussion of the year-over-year changes in revenues and net loss.

Total Assets

Fiscal 2025 Compared to Fiscal 2024

Total assets decreased by $749.0 million or 29% from Fiscal 2024 to Fiscal 2025 with cash and cash equivalents accounting for $163.6 million of the decrease primarily due to $132.3 million in cash used to repurchase and cancel shares under a normal course issuer bid, and due to cash used to grow our merchant cash advance program. Goodwill decreased by $551.3 million primarily due to a non-cash impairment charge of $556.4 million offset by an increase related to a business combination. Trade and other receivables accounted for $9.2 million of the decrease which includes a decrease in trade receivables net of allowance for expected credit losses of $9.8 million, a decrease in research and development tax credits receivable of $0.7 million, a decrease in accrued interest and other receivables of $1.6 million and an increase in sales tax receivable of $2.8 million. The property and equipment and intangibles accounted for $3.4 million and $67.5 million of the decrease respectively, primarily due to the depreciation and amortization taken during the period offset by capitalized internal development costs for intangibles. The right of use assets, inventory, other long term assets and deferred tax assets also accounted for $4.4 million, $1.9 million, $2.3 million and $0.3 million of the decrease, respectively. The decrease in total assets was partially offset by an increase in merchant cash advances of $31.9 million due to the growth in our merchant cash advance program and an increase in other current assets of $22.9 million primarily related to an increase in prepaid expenses and an increase in commission and contract assets.

Fiscal 2024 Compared to Fiscal 2023

Total assets decreased by $93.6 million or 4% from Fiscal 2023 to Fiscal 2024 with cash and cash equivalents accounting for $78.1 million of the decrease primarily due to cash spent on operating activities of $97.7 million. The lease right-of-use assets and intangibles accounted for $3.9 million and $84.4 million of the decrease, respectively, primarily due to the depreciation and amortization taken during the period. There was also a decrease in goodwill of $1.4 million due to foreign currency differences on translation of foreign operations. The decrease in total assets was offset by an increase in trade and other receivables of $7.4 million which is primarily due to growing trade receivables, and an increase in merchant cash advances of $44.7 million. In addition, the decrease in total assets was offset by an increase in inventory of $3.7 million mainly to ensure that we had sufficient inventory to service our customers who sign up for Lightspeed Payments, an increase in other short term and long term assets of $5.8 million and $11.3 million, respectively, primarily related to an increase in commission and contract assets and an increase in property and equipment of $1.0 million.

Total Liabilities

Fiscal 2025 Compared to Fiscal 2024

Total liabilities decreased by $0.5 million or 0% from Fiscal 2024 to Fiscal 2025 driven by a decrease in long-term liabilities of $4.8 million, offset by an increase in current liabilities of $4.3 million. The drivers of the increase in current liabilities were an increase in deferred revenue of $1.4 million, an increase in provisions and other payables of $2.7 million, which includes an increase in foreign exchange forward contracts liability of $2.5 million, an increase in trade payables and trade accruals of $0.6 million and an increase in accrued compensation and benefits of $1.9 million, offset by a decrease in income taxes payable of $0.2 million, a decrease in lease liabilities of $1.3 million, a decrease in sales tax payable of $0.2 million, and a decrease in accrued

payroll taxes on share-based compensation of $0.7 million. The drivers of the decrease in long-term liabilities were a decrease in lease liabilities of $5.0 million and a decrease in other long-term liabilities of $0.4 million, offset by an increase in deferred revenue of $0.2 million and an increase in deferred tax liabilities of $0.3 million.

Fiscal 2024 Compared to Fiscal 2023

Total liabilities decreased by $8.5 million or 5% from Fiscal 2023 to Fiscal 2024 driven by a decrease in current liabilities of $5.8 million and a decrease in long-term liabilities of $2.7 million. The main drivers of the decrease in current liabilities were a decrease in income taxes payable of $5.2 million, a decrease in trade payables and trade accruals of $3.5 million, a decrease in acquisition-related payables of $0.3 million, and a decrease in deferred revenue of $0.8 million, offset by an increase in accrued compensation and benefits of $1.1 million, an increase in provisions and other payables of $0.7 million, an increase in lease liabilities of $0.3 million, an increase in sales tax payable of $1.3 million, and an increase in accrued payroll taxes on share-based compensation of $0.5 million. The main driver of the decrease in long-term liabilities was a decrease in lease liabilities of $2.3 million and a decrease in deferred revenue of $0.4 million.

Quarterly Results of Operations

The following table sets forth selected quarterly consolidated statements of operations data for each of the eight quarters ended March 31, 2025. This data should be read in conjunction with our audited annual consolidated financial statements and the notes related thereto. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	Three months ended							
(In thousands of US dollars, except per share amounts)	**Jun. 30, 2023**	**Sept. 30, 2023**	**Dec. 31, 2023**	**Mar. 31, 2024**	**Jun. 30, 2024**	**Sept. 30, 2024**	**Dec. 31, 2024**	**Mar. 31, 2025**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenues	209,086	230,273	239,695	230,216	266,091	277,182	280,134	253,419
Direct cost of revenues	121,181	134,105	138,218	130,516	157,883	162,899	164,260	141,579
Gross profit	87,905	96,168	101,477	99,700	108,208	114,283	115,874	111,840
Operating expenses								
General and administrative	24,944	26,324	29,934	22,540	31,856	31,247	29,459	22,577
Research and development	34,035	33,081	34,675	27,625	27,471	30,520	32,148	30,196
Sales and marketing	55,288	60,290	60,908	57,804	57,070	65,681	54,012	58,081
Depreciation of property and equipment	1,457	1,493	1,894	1,790	1,973	1,853	1,891	1,622
Depreciation of right-of-use assets	2,230	1,647	1,651	2,418	1,394	1,369	1,218	1,239
Foreign exchange loss (gain)	671	689	(979)	501	85	(1,337)	2,514	(668)
Acquisition-related compensation	2,545	560	—	—	—	52	157	157
Amortization of intangible assets	24,505	23,990	23,671	22,882	22,895	22,612	22,105	20,820
Restructuring	472	80	1,232	5,422	9,541	164	6,368	1,430
Goodwill impairment	—	—	—	—	—	—	—	556,440
Total operating expenses	146,147	148,154	152,986	140,982	152,285	152,161	149,872	691,894
Operating loss	(58,242)	(51,986)	(51,509)	(41,282)	(44,077)	(37,878)	(33,998)	(580,054)
Net interest income	10,362	10,746	10,899	10,524	10,166	9,543	8,388	8,401
Loss before income taxes	(47,880)	(41,240)	(40,610)	(30,758)	(33,911)	(28,335)	(25,610)	(571,653)
Income tax expense (recovery)								
Current	1,215	755	149	1,680	801	1,692	867	4,136
Deferred	(392)	497	(530)	102	300	(372)	109	154
Total income tax expense (recovery)	823	1,252	(381)	1,782	1,101	1,320	976	4,290
Net loss	(48,703)	(42,492)	(40,229)	(32,540)	(35,012)	(29,655)	(26,586)	(575,943)
Net loss per share – basic and diluted	(0.32)	(0.28)	(0.26)	(0.21)	(0.23)	(0.19)	(0.17)	(3.79)

Revenues

Our total quarterly revenue increased successively for all periods presented (except for the three months ended March 31, 2024 and March 31, 2025) mainly due to increases in subscription and transaction-based revenue from existing and new customers, including increased adoption of our payments solutions and our flagship solutions. The decrease in revenues in the three month period ended March 31, 2024 and March 31, 2025 was primarily due to the impact of seasonality on our revenues as transaction-based revenues comprise an increasingly larger proportion of our revenue mix. For retail, the three months ended December 31 is historically our seasonally strongest quarter for GTV due to the holiday season. For hospitality, the three months ended September 30 is historically our seasonally strongest quarter for GTV. The three months ended March 31 is historically our weakest GTV quarter for both retail and hospitality, contributing to the decline in our revenues for the three months ended March 31, 2024 and March 31, 2025 compared to the three months ended December 31, 2023 and December 31, 2024.

Direct Cost of Revenues

Our total quarterly direct cost of revenues increased successively for all periods presented (except for the three months ended March 31, 2024 and March 31, 2025). In general, increases from period to period are primarily due to increased costs associated with supporting an increase in the number of customers on our payments solutions given the higher direct costs associated with transaction-based revenues. The decrease in direct cost of revenues for the three months ended March 31, 2024 and March 31, 2025 is aligned with the decrease in revenues within the periods due to the impact of seasonality.

Gross Profit

Our total quarterly gross profit increased successively in all periods (except the three months ended March 31, 2024 and March 31, 2025) due to an increase in the number of customers using our flagship products and payments solutions, particularly high GTV customers. The decrease in total quarterly gross profit for the three months ended March 31, 2024 and March 31, 2025 is primarily due to the impact of seasonality on our revenues. Although our gross profit has declined over time as a percentage of revenue due to more customers adopting our payments solutions, which solutions carry higher direct costs than our software solutions, with this decline being partially offset by the increase in revenue from our merchant cash advance program, which revenue stream carries a significantly higher margin, the average amount of gross profit generated from each customer has generally continued to increase, improving our unit economics.

Operating Expenses

Our total quarterly operating expenses increased successively from the three months ended June 30, 2023 to the three months ended December 30, 2023. The increase in operating expenses in the three months ended September 30, 2023 was mainly due to an increase in sales and marketing expenses which mostly consisted of higher share-based compensation from a forfeiture of awards in the prior period. The increase in operating expenses in the three months ended December 31, 2023 was mainly due to higher provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, as well as an increase in bad debt expense which includes movements in our loss allowance and fair value movements related to uncollectible merchant cash advances. The decrease in operating expenses in the three months ended March 31, 2024 was mainly due to lower share-based compensation and related payroll taxes primarily due to the forfeiture of awards of certain executive officers during the period. The increase in operating expenses in the three months ended June 30, 2024 includes higher restructuring charges as a result of the reorganization announced within that quarter, higher provisions, settlements and other costs incurred in respect of certain litigation matters, net of amounts covered by insurance and indemnification proceeds, and an increase in bad debt expense which includes movements in our loss allowance and fair value movements related to uncollectible merchant cash advances; the bad debt expense increased in line with the accelerated growth in principal issued for our merchant cash advance program. The three months ended September 30, 2024 saw a slight decrease in operating expenses due to lower restructuring charges as a result of the reorganization in the prior quarter offset by an increase in sales and marketing expenses which mainly consisted of higher share-based compensation and related payroll taxes and an increase in professional fees. The decrease in operating expenses in the three months ended December 31, 2024 was mainly due to a decrease in sales and marketing expenses, with sales and marketing expenses decreasing primarily due to lower share-based compensation and related payroll taxes and lower professional fees. These expenses had increased in the previous quarter, contributing to the subsequent decline. The decrease in sales and marketing expenses within the period was also attributable to lower salary and other employee-related costs related to the restructuring. The decrease was partially offset by an increase in restructuring charges and in the foreign exchange loss due to the strengthening of the US dollar within the period. The increase in operating expenses in the three months ended March 31, 2025 was primarily due to the non-cash goodwill impairment charge of $556.4 million in the quarter and an increase in professional fees. This increase was partially offset by a decrease in bad debt expense which includes movements in our loss allowance and fair value movements related to uncollectible merchant cash

advances, lower salary and other employee-related costs, a foreign exchange gain compared to a loss in the previous quarter and lower restructuring charges as a result of the reorganization in the prior quarter. We note that a portion of our operating expenses are incurred in foreign currencies which may impact the comparability of our quarterly and yearly trends.

See "Results of Operations" in this MD&A for a more detailed discussion of the year-over-year changes in revenues and net loss.

Liquidity and Capital Resources

Overview

The general objectives of our capital management strategy reside in the preservation of our capacity to continue operating, in providing benefits to our stakeholders and in providing an adequate return on investment to our shareholders by selling our services at a price commensurate with the level of operating risk assumed by us. We thus determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

Working Capital

Our primary source of cash flow has been from raising capital totaling over $2.0 billion since the fiscal year ended March 31, 2016. Our approach to managing liquidity is to ensure, to the extent possible, that we always have sufficient liquidity to meet our liabilities as they become due. We do so by monitoring cash flows and performing budget-to-actual analysis on a regular basis. Our principal cash requirements are for working capital, our merchant cash advance program, opportunistically repurchasing shares and acquisitions we may execute. Working capital surplus as at March 31, 2025 was $649.0 million. Given our existing cash and available financing, we believe there is sufficient liquidity to meet our current and short-term growth requirements in addition to our long-term strategic objectives.

Base Shelf Prospectus

In May 2023, pursuant to "well-known seasoned issuer" blanket orders of the Canadian Securities Administrators, we filed a new short form base shelf prospectus (the “Base Prospectus”) with the securities commissions in each of the provinces and territories of Canada and a corresponding shelf registration statement on Form F-10 with the U.S. Securities and Exchange Commission (the “Registration Statement”). The Base Prospectus and the Registration Statement allows Lightspeed and certain of its security holders to offer subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, in amounts, at prices and on terms to be set forth in one or more shelf prospectus supplements during the 25-month period that the Base Prospectus is effective.

Normal Course Issuer Bid

Our board of directors and the Toronto Stock Exchange (“TSX”) approved a normal course issuer bid (“NCIB”) for us to purchase at our discretion for cancellation up to 9,722,677 subordinate voting shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of subordinate voting shares issued and outstanding as at March 22, 2024, over the twelve-month period from April 5, 2024 and ended April 4, 2025.

Under the NCIB, other than purchases made under block purchase exemptions, we are allowed, subject to applicable securities laws, to purchase daily, through the facilities of the TSX, a maximum of 165,177 subordinate voting shares representing 25% of the average daily trading volume of 660,709 subordinate voting shares, as calculated per the TSX rules for the six-month period ended on February 29, 2024.

In connection with the NCIB, we also entered into an automatic share purchase plan (“ASPP”) under which a designated broker may purchase subordinate voting shares at times when we would ordinarily not be permitted to purchase our subordinate voting shares due to regulatory restrictions and customary self-imposed blackout periods. Any repurchases made under the ASPP are made in accordance with certain purchasing parameters.

During Fiscal 2025, we repurchased and cancelled 9,722,677 subordinate voting shares representing the total authorized amount pursuant to the NCIB for a total consideration, including transaction costs, of $134.2 million. Of the 9,722,677 subordinate voting shares repurchased, 7,048,751 were purchased under the ASPP for a consideration of $92.4 million. We did not repurchase any of our subordinate voting shares under an NCIB in Fiscal 2024.

Subsequent Event

Our board of directors and the TSX approved the renewal of the NCIB for us to purchase at our discretion for cancellation up to 9,013,953 Subordinate Voting Shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of Subordinate Voting Shares issued and outstanding as at March 21, 2025, over the twelve-month period commencing on April 5, 2025 and ending no later than April 4, 2026. Our shareholders may obtain, without charge, a copy of the Notice of Intention to Make a Normal Course Issuer Bid filed by the Company with the TSX by contacting our Investor Relations department at investorrelations@lightspeedhq.com.

Under the NCIB, other than purchases made under block purchase exemptions, we are allowed, subject to applicable securities laws, to purchase daily, through the facilities of the TSX, a maximum of 153,504 Subordinate Voting Shares representing 25% of the average daily trading volume of 614,018 Subordinate Voting Shares, as calculated per the TSX rules for the six-month period ended on February 28, 2025.

In connection with the NCIB, subsequent to the end of the year, we also entered into an ASPP under which a designated broker may purchase Subordinate Voting Shares at times when we would ordinarily not be permitted to purchase our Subordinate Voting Shares due to regulatory restrictions and customary self-imposed blackout periods. Any repurchases made under the ASPP are made in accordance with certain purchasing parameters.

During April 2025, under the NCIB and pursuant to the ASPP, we repurchased and cancelled 9,013,953 Subordinate Voting Shares representing the total authorized amount pursuant to the NCIB for a consideration of $84.4 million.

We believe that the purchase of our subordinate voting shares under the NCIB is an appropriate investment since, in our view, market prices from time to time may not reflect the underlying value of Lightspeed's business.

Cash Flows

The following table presents cash and cash equivalents as at March 31, 2025 and 2024, and cash flows from or used in operating, investing, and financing activities for the three months and the fiscal years ended March 31, 2025 and 2024:

	Three months ended March 31,		Fiscal year ended March 31,	
(In thousands of US dollars)	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Cash and cash equivalents	558,469	722,102	558,469	722,102
Cash flows from (used in):				
Operating activities	(9,938)	(28,536)	(32,762)	(97,667)
Investing activities	445	4,104	8,042	25,950
Financing activities	(94,181)	(2,347)	(138,676)	(6,226)
Effect of foreign exchange on cash and cash equivalents	575	(526)	(237)	(109)
Net decrease in cash and cash equivalents	(103,099)	(27,305)	(163,633)	(78,052)

Cash Flows used in Operating Activities

Cash flows used in operating activities for the three months ended March 31, 2025 were $9.9 million compared to cash flows used in operating activities of $28.5 million for the three months ended March 31, 2024. For the three months ended March 31, 2025, Adjusted Free Cash Flow[3] used was $9.3 million compared to $16.3 million for the three months ended March 31, 2024. This $7.0 million improvement is mainly due to increased gross profit and includes working capital movements such as timing differences related to current receivables and payables.

Cash flows used in operating activities for Fiscal 2025 were $32.8 million compared to $97.7 million for Fiscal 2024. For Fiscal 2025, Adjusted Free Cash Flow[3] used was $11.2 million compared to $64.5 million for Fiscal 2024. This $53.3 million improveme

[3] Refer to the section entitled "Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios"

nt is mainly due to increased gross profit and includes working capital movements such as timing differences related to current receivables and payables.

Cash Flows from Investing Activities

Cash flows from investing activities for the three months ended March 31, 2025 were $0.4 million compared to $4.1 million for the three months ended March 31, 2024. The decrease in cash flows from investing activities was primarily due to a decrease of $2.2 million in interest income received, an increase of $3.1 million in cash outflows associated with capitalized internal development costs and a cash outflow of $0.7 million related to a business acquisition, offset by a decrease of $2.4 million in cash outflows associated with additions to property and equipment.

Cash flows from investing activities for Fiscal 2025 were $8.0 million compared to $26.0 million for Fiscal 2024. The decrease in cash flows from investing activities was primarily due to a decrease of $5.5 million in interest income received, an increase of $8.7 million in cash outflows associated with capitalized internal development costs and a cash outflow of $7.5 million related to a business acquisition, offset by a decrease of $3.7 million in cash outflows associated with additions to property and equipment.

Cash Flows used in Financing Activities

Cash flows used in financing activities for the three months ended March 31, 2025 were $94.2 million compared to $2.3 million in the three months ended March 31, 2024. The increase in cash flows used in financing activities was mainly due to a cash outflow of $92.4 million from shares repurchased and cancelled and an increase of $0.1 million in financing costs, offset by an increase $0.4 million in cash inflows associated with the exercise of stock options under our equity incentive plans and a decrease of $0.3 million in cash outflows associated with lease liabilities and movement in restricted lease deposits.

Cash flows used in financing activities for Fiscal 2025 were $138.7 million compared to $6.2 million in Fiscal 2024. The increase in cash flows used in financing activities was mainly due to a cash outflow of $132.3 million from shares repurchased and cancelled, an increase of $0.2 million in cash outflows associated with lease liabilities and movement in restricted lease deposits and an increase of $0.1 million in financing costs, offset by a decrease in share issuance costs of $0.1 million and an increase of $0.1 million in cash inflows associated with the exercise of stock options under our equity incentive plans.

We believe that our current cash balance, available financing, cash flows from operations and credit available under our credit facility are adequate for the Company's future operating cash needs.

Contractual Obligations

We have contractual obligations with a variety of expiration dates. The table below outlines our contractual obligations as at March 31, 2025:

	Payments due by period				
(In thousands of US dollars)	**< 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**>5 Years**	**Total**
Accounts payable and accrued liabilities	73,075	—	—	—	73,075
Other long-term liabilities	—	562	—	—	562
Lease obligations[(1)]	9,483	12,771	8,804	200	31,258
Significant unconditional purchase obligations[(2)]	37,210	87,020	14,000	—	138,230
Total contractual obligations	119,768	100,353	22,804	200	243,125

(1) The lease obligations also include short term leases and variable lease payments for our share of tenant operating expenses and taxes. Lease obligations relate primarily to our office space. The lease terms are between one and five years. See note 13 to the audited annual consolidated financial statements for further details regarding leases.

(2) We are subject to certain unconditional hardware purchase obligations and non-cancelable service agreements with service providers and payment processors subject to minimum spend commitments.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements, other than low value and short-term leases, and other purchase obligations as disclosed under "Contractual Obligations". From time to time, we may be contingently liable with respect to litigation and claims.

Related Party Transactions

We have no material related party transactions, other than those noted in our audited annual consolidated financial statements.

The executive compensation expense for the top five key management personnel is as follows for Fiscal 2025 and Fiscal 2024:

	Fiscal year ended March 31,	
(In thousands of US dollars)	**2025**	**2024**
	$	**$**
Short-term employee benefits and termination benefits	2,569	4,374
Share-based payments	11,963	11,778
Total compensation paid to key management personnel	14,532	16,152

Financial Instruments and Other Instruments

Fair Value

The fair value of merchant cash advances was determined based on Level 3 inputs by calculating the present value of the future estimated cash flows based on the terms of the agreements. Key assumptions for Fiscal 2025 include an average repayment period of 8 months, an average discount rate, over the repayment period, of 14% and amounts deemed uncollectible, which includes write offs, of $12.5 million. No reasonably possible change in the key assumptions would lead to a significant change in the fair value of merchant cash advances due to their expected short-term repayment periods.

Transaction-based revenues for Fiscal 2025 includes $35.2 million from merchant cash advances related to fees collected incorporating fair value movement ($17.2 million for Fiscal 2024) and general & administrative expenses for Fiscal 2025 include $12.5 million from merchant cash advances deemed uncollectible, which includes write offs ($6.0 million for Fiscal 2024).

Credit and Concentration Risk

Our credit risk is primarily attributable to our cash and cash equivalents, trade and other receivables, and our merchant cash advances. We do not generally require a guarantee from our customers for trade receivables. Credit risk with respect to cash and cash equivalents is managed by maintaining balances only with high credit quality financial institutions. We do not hold any collateral as security.

Due to our diverse customer base, there is no particular concentration of credit risk related to our trade receivables and merchant cash advances. Moreover, balances for trade receivables and merchant cash advances are managed and analyzed on an ongoing basis to ensure timely collection of amounts.

We maintain a loss allowance for a portion of trade receivables when collection becomes doubtful on the basis described in note 3 of our audited annual consolidated financial statements. Our allowance for expected credit losses ("ECL") includes forward-looking factors specific to the debtors and the economic environment.

In Fiscal 2025, potential effects from uncertainty in the macroeconomic environment on our credit risk have been considered and have resulted in an increase to our allowance for ECLs from what the allowance would have been without factoring in these effects. We continue to monitor macroeconomic conditions and any resulting impacts on our credit risk.

Liquidity Risk

We are exposed to the risk of being unable to honor our financial commitments by the deadlines set, under the terms of such commitments and at a reasonable price. We manage our liquidity risk by forecasting cash flows used in operations and anticipated

investing and financing activities. We have $558.5 million of cash and cash equivalents as well as a credit facility available as at March 31, 2025, demonstrating our liquidity and ability to pay financial liabilities as they become due.

Foreign Exchange Risk

We are exposed to foreign exchange risk due to financial instruments denominated in foreign currencies. The main currencies which expose us to foreign exchange risk due to financial instruments denominated in foreign currencies include the Canadian dollar, the Euro, the British pound sterling, the Australian dollar and the New Zealand dollar. We have a policy to mitigate our exposure to foreign currency exchange risk by entering into derivative instruments. We have entered into multiple foreign exchange forward contracts. Our currency pair used for cash flow hedges is U.S. dollar / Canadian dollar. We do not use derivative instruments for speculative purposes. The notional principal of our foreign exchange contracts was $113.8 million CAD as at March 31, 2025 (March 31, 2024 - $95.6 million CAD).

The following table provides a summary of our foreign exchange exposures, after taking into account relevant foreign exchange forward contracts, expressed in thousands of U.S. dollars:

2025	**CAD**	**EUR**	**AUD**	**GBP**	**NZD**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents and restricted cash	3,600	10,019	3,244	2,759	2,151	1,469	23,242
Trade and other receivables	17,333	4,615	723	1,468	356	279	24,774
Merchant cash advances	14,359	14,291	12,921	7,671	1,348	—	50,590
Contract assets	3,758	6,340	5,876	2,452	1	1,483	19,910
Accounts payable and accrued liabilities	(10,218)	(12,383)	(3,573)	(613)	(2,771)	(3,135)	(32,693)
Other long-term liabilities	(192)	(207)	(41)	(97)	—	(3)	(540)
Lease liabilities	(8,739)	(3,306)	(1,046)	(1,957)	(1,218)	(63)	(16,329)
Net financial position exposure	19,901	19,369	18,104	11,683	(133)	30	68,954

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will negatively impact earnings and cash flows. Certain of our cash earns interest. Our trade and other receivables and accounts payable and accrued liabilities do not bear interest. We are not exposed to material interest rate risk.

Share Price Risk

Accrued payroll taxes on share-based compensation (social costs) are payroll taxes associated with share-based compensation that we are subject to in various countries in which we operate. Social costs are accrued at each reporting period based on inputs including, but not limited to, the number of stock options and share awards outstanding, the vesting of the stock options and share awards, the exercise price, and our share price. Changes in the accrual are recognized in direct cost of revenues and operating expenses. An increase in share price will increase the accrual for social costs, and a decrease in share price will result in a decrease in the accrual for social costs, all other things being equal, including the number of stock options and share awards outstanding and exercise price remaining constant.

Inflation Risk

We are subject to inflation risk that could have a material effect on our business, financial condition and results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations. If inflation increases, it will likely affect our expenses, including, but not limited to, increased costs to offer our solutions and employee compensation expenses. Furthermore, our customers are also subject to risks associated with inflationary pressures that have and may continue to impact their business and financial condition. Such risks include a reduction in consumer spending and credit or debit card usage, which would negatively impact our financial performance because the number of transactions processed using our payment solutions would decrease, as would the average purchase amount of each transaction.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We review these estimates on an ongoing basis based on management's best knowledge of current events and actions that we may undertake in the future. Actual results could differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Key estimates and assumptions are outlined below. Management has determined that we operate in a single operating and reportable segment.

Revenue Recognition

The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of the appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions. We follow the guidance provided in IFRS 15 – Appendix B, Principal versus Agent Considerations for determining whether revenue should be recognized based on the gross amount of consideration paid by the customer or the net amount of consideration retained by us. This determination is a matter of judgment that depends on the facts and circumstances of each arrangement.

Impairment of Non-financial Assets

Our impairment test for goodwill is based on internal estimates of fair value less costs of disposal calculations and uses valuation models such as the discounted cash flow model. Key assumptions on which management has based its determination of fair value less costs of disposal include an estimated discount rate, terminal value multiple, and estimated revenue growth rate. These estimates, including the methodology used, the identification of cash-generating units and how goodwill is allocated, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Whenever property and equipment, lease right-of-use assets, and intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

During the three months ended March 31, 2025, there were changes in macroeconomic conditions and our share price and market capitalization decreased. This led to the carrying amount of our net assets exceeding our market capitalization as at March 31, 2025. This triggered an impairment test to be performed on the Company's goodwill for our Segment, which is the level at which management monitors goodwill. Our test as at March 31, 2025 resulted in a non-cash impairment charge of $556.4 million related to goodwill during the three months ended March 31, 2025 as the terminal value multiple was negatively impacted by the macroeconomic conditions, and our revenue growth rate was negatively impacted by the macroeconomic impact on our customer's sales.

If the carrying value of our Segment is below our recoverable amount in the future, we may have to recognize further goodwill impairment losses in our results of operations in future periods. This could impair our ability to achieve profitability in the future. Goodwill is more susceptible to impairment risk if business operating results or economic conditions deteriorate. A reduction in the terminal value multiple, an increase in the discount rate or a decrease in the revenue growth rate could cause impairment in the future. We are required to perform our next annual goodwill impairment analysis on December 31, 2025, or earlier should there be a goodwill impairment trigger before then. For additional information, see note 16 of the audited annual consolidated financial statements for Fiscal 2025.

Recoverability of Deferred Tax Assets and Current and Deferred Income Taxes and Tax Credits

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. We establish provisions based on reasonable estimates for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred income tax assets are recognized for unused tax losses and deductible temporary differences to the extent it is probable that taxable income will be available against which the losses and deductible temporary differences can be utilized. Management's judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies.

Share-Based Compensation

We measure the cost of equity-settled transactions with employees by reference to the fair value of the related instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant, which depends on the terms and conditions of the grant. This also requires making assumptions and determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, interest rate and dividend yield.

Provisions

We are involved in litigation and claims from time to time. There can be no assurance that these litigations and claims will be resolved without costly litigation nor in a manner that does not adversely impact the financial position and operating results of the Company. Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In determining the probability of a loss and consequently determining a reasonable estimate, management is required to use significant judgment. Assumptions applied reflect the most probable set of economic conditions and planned courses of action by the Company at the time, but these too may differ over time. Given the uncertainties associated with any litigation, the actual outcome can be different from our estimates and could adversely affect the financial position and operating results of the Company. For additional information, see note 24 of the audited annual consolidated financial statements for Fiscal 2025.

Internally Generated Intangible Assets

We recognize internal development costs as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development. Internally generated intangible assets are amortized using the straight-line method over the estimated useful lives of the internally generated intangible assets from the point the asset is available for use.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the International Accounting Standards Board ("IASB") or other standard-setting bodies, and are adopted as of the specified effective date.

New and Amended Material Accounting Policies Adopted by the Company

The IASB has issued amendments to IAS 1 Presentation of Financial Statements affecting the presentation of liabilities as current or non-current in the statement of financial position, amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to enhance the transparency of supplier finance arrangements by including disclosure requirements, and amendments to IFRS 16 Leases to include variable payments when measuring a lease liability arising from a sale-and-leaseback transaction. These amendments to IAS 1, IAS 7, IFRS 7 and IFRS 16 are effective for annual periods beginning on or after January 1, 2024, with early application permitted. We have adopted these amendments as of April 1, 2024. The adoption did not change any classification of financial liabilities, and there was no impact on our accounting policies or the consolidated financial statements as a result of adopting such amendments.

There were no other IFRS Accounting Standards effective within Fiscal 2025 or International Financial Reporting Interpretations Committee (IFRIC) interpretations that had a material impact on our accounting policies or the consolidated financial statements.

New and Amended Material Accounting Policies Issued but not yet Effective

At the date of authorization of these financial statements, we have not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify how to assess and account for situations where a currency is not exchangeable into another. This amendment is effective for annual

periods beginning on or after January 1, 2025. We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements in future periods.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to clarify the recognition and derecognition of some financial assets and liabilities including introducing a new exception for certain financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduces disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. This amendment is effective for annual periods beginning on or after January 1, 2026. We are currently evaluating the impact of this amendment on our consolidated financial statements.

The IASB has also issued IFRS 18 Presentation and Disclosure in Financial Statements which includes requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new IFRS 18 standard is effective for annual periods beginning on or after January 1, 2027. We are currently evaluating the impact of this standard on our consolidated financial statements.

Outstanding Share Information

Lightspeed is a publicly traded company listed under the symbol "LSPD" on both the TSX and the New York Stock Exchange. Our authorized share capital consists of (i) an unlimited number of subordinate voting shares and (ii) an unlimited number of preferred shares, issuable in series, of which 137,386,825 subordinate voting shares and no preferred shares were issued and outstanding as of May 20, 2025.

As of May 20, 2025, there were 122,293 options outstanding under the Company’s Amended and Restated 2012 Stock Option Plan, as amended (of which 122,293 were vested as of such date), and 10,140,451 options outstanding under the Company’s Third Amended and Restated Omnibus Incentive Plan, as amended (the "Omnibus Plan") (of which 5,208,573 were vested as of such date). Each such option is or will become exercisable for one subordinate voting share.

As of May 20, 2025, there were 8,326 options outstanding under the ShopKeep Inc. Amended and Restated 2011 Stock Option and Grant Plan (of which 8,326 were vested as of such date), which plan the Company assumed on closing of its acquisition of ShopKeep on November 25, 2020. Each option is or will become exercisable for one subordinate voting share.

As of May 20, 2025, there were 175,198 DSUs outstanding under the Company’s Omnibus Plan. Each such DSU will, upon the holder thereof ceasing to be a director, executive officer, employee or consultant of the Company in accordance with the Omnibus Plan, be settled at the discretion of the board through (a) the delivery of shares issued from treasury or purchased on the open market, (b) cash, or (c) a combination of cash and shares.

As of May 20, 2025, there were 6,649,051 RSUs outstanding under the Company’s Omnibus Plan (of which 2,010,297 were vested as of such date). Each such RSU, upon vesting, may be settled at the discretion of the board through (a) the delivery of shares issued from treasury or purchased on the open market, (b) cash, or (c) a combination of cash and shares.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) are designed to provide reasonable assurance that information required to be disclosed in reports filed with the Securities and Exchange Commission are recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company’s management to ensure timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer, along with management, have evaluated and concluded that the Company’s disclosure controls and procedures as at March 31, 2025 were effective.

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is

designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Management, including the Chief Executive Officer and Chief Financial Officer, have assessed the effectiveness of the Company's internal control over financial reporting in accordance with Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management, including the Chief Executive Officer and Chief Financial Officer, have determined that the Company's internal control over financial reporting was effective as at March 31, 2025.

Attestation Report of the Independent Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as at March 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their opinion on the audited annual consolidated financial statements for March 31, 2025.

Changes in Internal Control over Financial Reporting

During the year ended March 31, 2025, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Lightspeed Commerce Inc.

Consolidated Financial Statements
March 31, 2025 and 2024
(expressed in thousands of US dollars)

Management's Annual Report on Internal Control Over Financial Reporting

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Management, including the Chief Executive Officer and Chief Financial Officer, have assessed the effectiveness of the Company's internal control over financial reporting in accordance with Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management, including the Chief Executive Officer and Chief Financial Officer, have determined that the Company's internal control over financial reporting was effective as of March 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report included herein.

May 22, 2025

/s/ Dax Dasilva

Dax Dasilva
Chief Executive Officer

/s/ Asha Hotchandani Bakshani

Asha Hotchandani Bakshani
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Lightspeed Commerce Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Lightspeed Commerce Inc. and its subsidiaries (the Company) as of March 31, 2025 and 2024, and the related consolidated statements of loss and comprehensive loss, of changes in shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of March 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the COSO.

Basis for Opinions
The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters
The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Principal versus Agent Considerations for payment processing services
As described in Notes 3, 4 and 5 to the consolidated financial statements, transaction-based revenue amounted to $697 million for the year ended March 31, 2025 of which a significant portion relates to payment processing services. In accounting for the payment processing services and for determining whether revenue should be recognized based on the gross amount billed to a customer or the net amount retained, where another party contributes to providing the specified service to a customer; management follows the guidance provided in IFRS 15, Appendix B, Principal versus Agent Considerations.

This determination is a matter of significant judgment that depends on the facts and circumstances of each arrangement. The Company recognizes revenue from payment processing services provided at the time of the transaction at the gross amount of consideration paid by the customer, when the Company is the principal in the arrangement with the customer. The Company is the principal in the arrangement when it controls the specified service before that service is transferred to the customer. To determine if the Company controls the specified service before that service is transferred to the customer, management considers indicators including whether the Company is primarily responsible for fulfilling the promise to provide the specified service, whether the Company has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer, and whether the Company has discretion in establishing the price for the specified service. If the Company does not control the specified service, the Company is an agent in the arrangement with the customer and recognizes transaction-based revenue at the net amount. To assess whether management controls the specified service, management considers among other things whether the Company (i) performs additional services, which are integrated with the payment processing services prior to delivering the services to the customer, (ii) bears the risk for chargebacks and other financial losses if such amounts cannot be recovered from the customer, and (iii) has full discretion in establishing prices for the payment processing services.

The principal considerations for our determination that performing procedures relating to Revenue Recognition – Principal versus Agent Considerations for payment processing services is a critical audit matter are (a) that there was significant judgment applied by management in assessing whether the Company (i) is primarily responsible for fulfilling the promise to provide the specified service, (ii) has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer and (iii) has discretion in establishing the price for the specified service and (b) a high degree of auditor judgment, subjectivity and effort in performing audit procedures and evaluating management’s determination as to whether the Company had promised to provide the specified service as principal or as an agent.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s determination as to whether the Company had promised to provide the service as principal or as an agent. These procedures also included, among others, testing the reasonableness of management’s determination as to whether the Company provides the payment processing services as principal or as an agent in the arrangement with the customer, which included assessing whether the Company had control of the specified service before the service was transferred to a customer. This assessment was performed by considering (i) the contractual terms with customers and agreements with service providers on a sample basis, with respect to whether the Company is primarily responsible for fulfilling the promise to provide the service, bears the inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer and has discretion in establishing the price for the service and (ii) whether the conclusions reached by management were consistent with evidence obtained in other areas of the audit.

Goodwill impairment assessment
As described in Notes 3, 4 and 16 to the consolidated financial statements, the carrying amount of the Company’s goodwill balance is $798 million as of March 31, 2025. Management reviews the carrying value of goodwill on an annual basis on December 31 or more frequently if events or a change in circumstances indicate that it is more likely than not that the fair value of goodwill is below its carrying amount. Goodwill impairment is determined by assessing the recoverable amount at the Company’s operating segment level (Segment), which is the level at which management monitors goodwill. The Segment's recoverable amount is the higher of the Segment's fair value less costs of disposal and its value in use. During the three months ended March 31, 2025, there were changes in macroeconomic conditions and the Company's share price and market capitalization decreased. This led to the carrying amount of the Company's net assets exceeding the Company's market capitalization as at March 31, 2025. This triggered an impairment test to be performed for the Company's Segment. Management completed an impairment test of

goodwill as of March 31, 2025 using a fair value less costs of disposal method. This test resulted in an impairment charge of $556 million. The recoverable amount of the Company's Segment was estimated using an income approach, more specifically, a discounted cash flow model. Key assumptions used by management in the discounted cash flow model included revenue growth rate, terminal value multiple and discount rate.

The principal considerations for our determination that performing procedures relating to goodwill impairment assessment is a critical audit matter are (i) the judgment by management when determining the recoverable amount of the Company's Segment; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's key assumptions related to revenue growth rate, terminal value multiple and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the determination of the recoverable amount of the Company's Segment. These procedures also included, among others (i) testing management's process for determining the recoverable amount; (ii) testing the mathematical accuracy of the model and the underlying data used in the discounted cash flow model; and (iii) evaluating the reasonableness of the key assumptions used by management related to the revenue growth rate, terminal value multiple and the discount rate by considering the current and past performance of the Company's Segment and the consistency with external market and industry data, as applicable. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and in assessing the reasonableness of key assumptions related to the terminal value multiple and the discount rate.

/s/ *PricewaterhouseCoopers LLP*

Montréal, Canada
May 22, 2025
We have served as the Company's auditor since 2015.

Lightspeed Commerce Inc.
Consolidated Balance Sheets
As at March 31, 2025 and 2024

(expressed in thousands of US dollars)

	Notes	2025	2024
Assets		$	$
Current assets			
Cash and cash equivalents	27	558,469	722,102
Trade and other receivables	11, 27	53,077	62,284
Merchant cash advances	27	106,169	74,236
Inventories	6	14,612	16,492
Other current assets	12	65,696	42,786
Total current assets		798,023	917,900
Lease right-of-use assets, net	13	12,714	17,075
Property and equipment, net	14	17,102	20,496
Intangible assets, net	15	159,542	227,031
Goodwill	16	797,962	1,349,235
Other long-term assets	17	40,562	42,865
Deferred tax assets	22	298	552
Total assets		1,826,203	2,575,154
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	18, 27	73,075	68,679
Lease liabilities	13	5,654	6,942
Income taxes payable	22	1,540	1,709
Deferred revenue	5	68,714	67,336
Total current liabilities		148,983	144,666
Deferred revenue	5	1,088	851
Lease liabilities	13	11,319	16,269
Other long-term liabilities		562	967
Deferred tax liabilities	22	284	—
Total liabilities		162,236	162,753
Shareholders' equity			
Share capital	20	4,157,395	4,362,691
Additional paid-in capital	25	200,634	213,918
Accumulated other comprehensive loss	21, 27	(7,462)	(4,045)
Accumulated deficit		(2,686,600)	(2,160,163)
Total shareholders' equity		1,663,967	2,412,401
Total liabilities and shareholders' equity		1,826,203	2,575,154
Commitments and contingencies	23, 24		

Approved by the Board of Directors

/s/ Paul McFeeters Director /s/ Dax Dasilva Director

The accompanying notes are an integral part of these consolidated financial statements.

Lightspeed Commerce Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars, except per share amounts)

	Notes	2025 $	2024 $
Revenues	5	1,076,826	909,270
Direct cost of revenues	6, 8	626,621	524,020
Gross profit		450,205	385,250
Operating expenses			
General and administrative	8	115,139	103,742
Research and development	8	120,335	129,416
Sales and marketing	8	234,844	234,290
Depreciation of property and equipment	14	7,339	6,634
Depreciation of right-of-use assets	13	5,220	7,946
Foreign exchange loss		594	882
Acquisition-related compensation		366	3,105
Amortization of intangible assets	15	88,432	95,048
Restructuring	8, 24	17,503	7,206
Goodwill impairment	16	556,440	—
Total operating expenses		1,146,212	588,269
Operating loss		(696,007)	(203,019)
Net interest income	9	36,498	42,531
Loss before income taxes		(659,509)	(160,488)
Income tax expense (recovery)	22		
Current		7,496	3,799
Deferred		191	(323)
Total income tax expense		7,687	3,476
Net loss		(667,196)	(163,964)
Other comprehensive income (loss)	21, 27		
Items that may be reclassified to net loss			
Foreign currency differences on translation of foreign operations		(732)	(1,302)
Change in net unrealized gain (loss) on cash flow hedging instruments, net of tax		(2,685)	314
Total other comprehensive loss		(3,417)	(988)
Total comprehensive loss		(670,613)	(164,952)
Net loss per share – basic and diluted	10	(4.34)	(1.07)

The accompanying notes are an integral part of these consolidated financial statements.

Lightspeed Commerce Inc.

Consolidated Statements of Cash Flows

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars)	2025 $	2024 $
Cash flows from (used in) operating activities		
Net loss	(667,196)	(163,964)
Items not affecting cash and cash equivalents		
Share-based acquisition-related compensation	—	2,953
Amortization of intangible assets	88,432	95,048
Depreciation of property and equipment and lease right-of-use assets	12,559	14,580
Deferred income tax expense (recovery)	191	(323)
Share-based compensation expense	55,605	74,913
Unrealized foreign exchange gain	(290)	(116)
Goodwill impairment	556,440	—
(Increase)/decrease in operating assets and increase/(decrease) in operating liabilities		
Trade and other receivables	8,913	(7,566)
Merchant cash advances	(31,933)	(44,744)
Inventories	1,880	(3,653)
Other assets	(20,903)	(15,759)
Accounts payable and accrued liabilities	(892)	(194)
Income taxes payable	(169)	(5,210)
Deferred revenue	1,503	(1,133)
Other long-term liabilities	(404)	32
Net interest income	(36,498)	(42,531)
Total operating activities	(32,762)	(97,667)
Cash flows from (used in) investing activities		
Additions to property and equipment	(3,781)	(7,506)
Additions to intangible assets	(19,342)	(10,678)
Acquisition of business, net of cash acquired	(7,513)	—
Interest income	38,678	44,134
Total investing activities	8,042	25,950
Cash flows from (used in) financing activities		
Proceeds from exercise of stock options, net of tax withholding for net share settlement	2,231	2,144
Share issuance costs	—	(106)
Shares repurchased and cancelled	(132,317)	—
Payment of lease liabilities and movement in restricted lease deposits	(8,410)	(8,227)
Financing costs	(180)	(37)
Total financing activities	(138,676)	(6,226)
Effect of foreign exchange rate changes on cash and cash equivalents	(237)	(109)
Net decrease in cash and cash equivalents during the year	(163,633)	(78,052)
Cash and cash equivalents – Beginning of year	722,102	800,154
Cash and cash equivalents – End of year	558,469	722,102
Income taxes paid	4,654	7,622

The accompanying notes are an integral part of these consolidated financial statements.

Lightspeed Commerce Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars, except number of shares)

	Notes	Issued and Outstanding Shares		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
		Number of shares	Amount				
			$	$	$	$	$
Balance as at March 31, 2023		151,170,305	4,298,683	198,022	(3,057)	(1,996,199)	2,497,449
Net loss		—	—	—	—	(163,964)	(163,964)
Share issuance costs	20	—	(106)	—	—	—	(106)
Exercise of stock options and settlement of share awards	25	2,151,372	61,161	(59,017)	—	—	2,144
Share-based compensation	25	—	—	74,913	—	—	74,913
Share-based acquisition-related compensation		225,939	2,953	—	—	—	2,953
Other comprehensive loss	21, 27	—	—	—	(988)	—	(988)
Balance as at March 31, 2024		153,547,616	4,362,691	213,918	(4,045)	(2,160,163)	2,412,401
Net loss		—	—	—	—	(667,196)	(667,196)
Exercise of stock options and settlement of share awards, net of shares withheld for taxes	25	2,574,408	71,120	(68,889)	—	—	2,231
Share-based compensation	25	—	—	55,605	—	—	55,605
Shares repurchased and cancelled	20	(9,722,677)	(276,416)	—	—	140,759	(135,657)
Other comprehensive loss	21, 27	—	—	—	(3,417)	—	(3,417)
Balance as at March 31, 2025		146,399,347	4,157,395	200,634	(7,462)	(2,686,600)	1,663,967

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and nature of operations

Lightspeed Commerce Inc. ("Lightspeed" or the "Company") was incorporated on March 21, 2005 under the Canada Business Corporations Act. Its head office is located at Gare Viger, 700 Saint-Antoine St. East, Suite 300, Montréal, Quebec, Canada. Lightspeed's one-stop commerce platform provides its customers with the critical functionalities they need to engage with consumers, manage their operations, accept payments, and grow their business. Lightspeed has customers globally in over 100 countries, empowering single- and multi-location small and medium-sized businesses to compete in an omni-channel market environment by engaging with consumers across online, mobile, social, and physical channels.

The Company's shares are listed on both the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") under the stock symbol "LSPD".

2. Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and were approved for issue by the Board of Directors (the "Board") of the Company on May 22, 2025.

The consolidated financial statements provide comparative information in respect of the previous year.

The consolidated financial statements include the accounts of Lightspeed and its wholly-owned subsidiaries including, but not limited to: Lightspeed Netherlands B.V., Lightspeed Payments USA Inc., Kounta Pty Ltd, Lightspeed Commerce USA Inc., Upserve, Inc., Vend Limited, Lightspeed NuORDER Inc. and Ecwid, Inc. (collectively, the "subsidiaries"). All significant intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of all subsidiaries, including those of new subsidiaries of Lightspeed from the reporting period starting on their acquisition or incorporation date, are prepared for the same reporting period as Lightspeed using Lightspeed's accounting policies. All subsidiaries are fully consolidated until the date that Lightspeed's control ceases.

3. Material accounting policies

Revenue recognition

The Company's main sources of revenue are subscriptions for its platforms and revenue from its payment processing services. Other sources of revenue for the Company include payment residuals, merchant cash advances, professional services and sales of hardware as described below.

For revenue streams that involve another party that contributes to providing a specified good or service to a customer, the Company follows the guidance provided in IFRS 15, Appendix B, Principal versus Agent Considerations, for determining whether the revenue should be recognized based on the gross amount billed to a customer or the net amount retained. The Company is the principal in the arrangement and recognizes revenue at the gross amount billed to a customer when it controls the specified good or service before that good or service is transferred to the customer. To determine if the Company controls the specified good or service before that good or service is transferred to the customer, the Company considers indicators including whether the Company is primarily responsible for fulfilling the promise to provide the

specified good or service, whether the Company has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer, and whether the Company has discretion in establishing the price for the specified good or service. If the Company does not control the specified good or service, the Company is an agent in the arrangement with the customer and recognizes revenue at the net amount retained. This determination is a matter of significant judgment that depends on the facts and circumstances of each arrangement.

The Company's arrangements with customers can include multiple performance obligations. When contracts involve multiple performance obligations, the Company evaluates whether each performance obligation is distinct and should be accounted for as a separate unit of accounting. In the case of software subscriptions and hardware and other, the Company has determined that customers can benefit from each service on its own, and that each service being provided to the customer is separately identifiable from other promises in the contract. Specifically, the Company considers the distinct performance obligations to be the software subscriptions, the hardware and the implementation services. Payment processing services, payment residuals and merchant cash advances were also considered to be distinct performance obligations.

The total transaction price is determined at the inception of the contract and allocated to each performance obligation based on their relative standalone selling prices. The Company determines the standalone selling price by considering internal evidence such as normal or consistently applied standalone selling prices. The determination of standalone selling prices is made through consultation with and approval by management, taking into consideration the Company's go-to-market strategy. The Company from time to time modifies its pricing practices as its go-to-market strategies evolve, which could result in changes in relative standalone selling prices. Discounts are allocated to each performance obligation to which they relate based on their relative standalone selling price.

The Company generally receives payment from its customers on or prior to the invoice due date. In all other cases, payment terms and conditions vary by contract type, although terms generally include a requirement for payment within 14 to 30 days of the invoice date. Sales taxes collected from customers and remitted to government authorities are excluded from revenue.

Subscription revenue

Software subscriptions include subscriptions to cloud-based solutions for both retail and hospitality offerings, for the Company's eCommerce offering, and wholesale offering. In addition to the core subscriptions outlined above, customers can purchase add-on services. Subscriptions include maintenance, support and access to unspecified upgrades. The Company recognizes revenue for its software subscriptions, including add-on services, ratably over the term of the contract commencing on the date the services are made available to customers.

Transaction-based revenue

The Company offers to its customers payment processing services, through connected terminals and online, that facilitate payment for goods and services sold by the customer to its consumers, for which the customers are charged a transaction fee. The Company recognizes revenue from payment processing services provided at the time of the transaction at the gross amount of consideration paid by the customer, as the Company is the principal in the arrangement with the customer. The Company is the principal as the Company controls the payment processing service before the customer receives it as the Company performs additional services which are integrated with the payment processing service prior to delivering the service to the customer. The Company also bears the risk for chargebacks and other financial losses if such amounts cannot be recovered from the customer and the Company has full discretion in establishing prices for the promised service.

The Company's software also interfaces with third parties that enable credit card processing. These third parties generate revenue from charging transaction fees that are generally a fixed amount per transaction, or a fixed percentage of the transaction processed. As part of integrating with the solutions of these third parties, the Company negotiates a revenue share with them whereby the Company receives a portion of the revenues generated by the third parties. These revenues are

recognized at the net amount retained by the Company, whereby only the portion of revenues that the Company receives (or which is due) from the third-party is recognized.

The Company also earns revenue from eligible customers through its merchant cash advance ("MCA") program, Lightspeed Capital. Under this program, the Company purchases a designated amount of future receivables at a discount, and the customer remits a fixed percentage of their daily sales to the Company until the outstanding balance has been fully remitted. The Company evaluates identified underwriting criteria including, but not limited to, the number of years in business, the nature of the business, and historical sales data, prior to purchasing the eligible customer's future receivables to help assess collectibility. As each MCA agreement does not have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the MCA balance outstanding, each MCA is recorded at fair value through profit or loss. The initial fair value is generally equal to the transaction price, being the fair value of the consideration provided to the customer, and is then reduced by any amounts that are not expected to be collected. The fair value of each MCA is reassessed at the end of each reporting period. The amount of transaction-based revenue recognized from MCAs in the period is calculated as the gross amounts remitted by the customer in the period, reduced by the difference in value between the initial fair value and the reassessed fair value at the end of the period, excluding movements in the fair value that relate to amounts that are deemed uncollectible which are recognized within general and administrative expenses in the consolidated statements of loss and comprehensive loss. The Company is responsible for purchasing the designated amount of future receivables, bears the risk of financial losses if the receivables cannot be recovered from the customer, and the Company has full discretion in establishing the fees charged. The Company records as direct costs of revenue the processing and other fees with third-party platforms which are directly related to providing the MCA program to customers.

Hardware and other revenue

The Company’s software integrates with various hardware solutions required to operate a location. As part of the sale process to both new and existing customers, the Company acts as a reseller of the hardware. Such sales consist primarily of hardware peripherals. In addition, in some cases where customers would like assistance deploying the Company’s software or integrating the Company’s software with other systems, setting up their eCommerce store or installing their hardware, the Company provides professional services customized to the customer.

Hardware equipment revenues are recognized at a point in time, namely when ownership passes to the customer, in accordance with the shipping terms, at the gross amount of consideration paid by the customer, as the Company is the principal in the arrangement with the customer. The Company is the principal as the Company controls the hardware equipment before the customer receives it.

Most professional services are sold on a time-and-materials basis. The Company’s software can typically be used as delivered to the customer. The Company’s professional services are generally not essential to the functionality of the software. For services performed on a time-and-materials basis, revenues are recognized as the services are delivered at the gross amount of consideration paid by the customer, as the Company is the principal in the arrangement with the customer. The Company is the principal as the Company controls the professional services before they are transferred to the customer.

Commission assets

The Company records costs for selling commissions paid at the inception of a contract that are incremental costs of obtaining the contract as assets ("commission assets") if the Company expects to recover those costs. Commission assets are subsequently amortized on a systematic basis consistent with the pattern of the transfer of the good or service to which the commission asset relates. The Company applies the practical expedient that allows it to determine the pattern of the transfer of the good or service for a portfolio of contracts that have similar characteristics. For contracts where the amortization period of the commission assets would have been one year or less, the Company uses the practical expedient that allows it to recognize the incremental costs of obtaining those contracts as an expense when incurred.

Contract assets

The Company records contract assets when the Company has provided goods and services to customers at the inception of the contract, but the right to related consideration for this performance obligation is conditional on satisfying other performance obligations. Contract assets primarily relate to the hardware solutions and are recovered over the expected contract term which takes into consideration the enforceable rights of the Company. Contract assets are subsequently amortized against revenue.

Deferred revenue

Deferred revenue mainly comprises fees collected or contractually due for services in which the applicable revenue recognition criteria have not been met. This balance will be recognized as revenue as the services are performed.

Cash and cash equivalents

Cash comprises cash on deposit at banks. The Company considers all short term highly liquid investments that are readily convertible into known amounts of cash, with original maturities at their acquisition date of three months or less to be cash equivalents.

Restricted cash and restricted deposits

The Company can be required to hold a defined amount of cash as collateral under the terms of certain lease agreements and as a guarantee for other obligations. Cash deposits held by the Company that have restrictions governing their use are classified as restricted cash, current or long-term, based on the remaining length of the restriction.

Inventories

Inventories, consisting of hardware equipment only, are recorded at the lower of cost and net realizable value with cost determined using the weighted average cost method. The Company provides an allowance for obsolescence based on estimated product life cycles, usage levels and technology changes. Changes in these estimates, if any, are reflected in the determination of cost of revenues. The amount of any write-down of inventories to net realizable value, and all losses on inventories, if any, are recognized as an expense in the year during which the impairment or loss occurs.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Furniture and equipment are depreciated over five years, and computer equipment is depreciated over three years. Leasehold improvements are depreciated on a straight-line basis over the shorter of their estimated useful lives or the term of their associated leases.

Intangible assets

Acquired identifiable intangible assets

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful lives of the related assets. Software technologies that are acquired through business combinations are amortized over three to five years and customer relationships acquired through business combinations are amortized over three to six years.

Internally generated intangible assets

For internally generated intangible assets, expenditure on research activities is recognized as an expense in the period in which it is incurred. The Company recognizes internal development costs as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development. The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above until the asset is in the condition necessary for it to be capable of operating in the manner intended by management. Where no internally-generated intangible asset can be recognized, internal development costs are recognized as research and development expense in the period in which they are incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost, less accumulated amortization and impairment losses, on the same basis as acquired identifiable intangible assets. Internally generated intangible assets are amortized using the straight-line method over the estimated useful lives of the internally generated intangible assets from the point the asset is available for use.

Impairment of long-lived assets

The Company evaluates its property and equipment and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset or cash-generating unit ("CGU") may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or CGUs.

Goodwill and impairment of goodwill

Goodwill represents the excess of the purchase price over the estimated fair value of net tangible and identifiable assets of a business acquired in a business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is tested at the Company's operating segment level (the "Segment"), which is the level at which management monitors goodwill.

The Company reviews the carrying value of goodwill on an annual basis on December 31 or more frequently if events or a change in circumstances indicate that it is more likely than not that the fair value of the goodwill is below its carrying amount. Goodwill impairment is determined by assessing the recoverable amount of the Segment and comparing it to the carrying value of the Segment. The Segment's recoverable amount is the higher of the Segment's fair value less costs of disposal and its value in use. A quantitative analysis was performed to determine the fair value less costs of disposal. Note 16 discusses the method and assumptions used for impairment testing.

Government assistance and research and development tax credits

Government assistance is recognized when there is reasonable assurance that it will be received and all related conditions will be complied with. Government assistance relating to an expense item is recognized as a reduction of expense over the period necessary to match the government assistance on a systematic basis to the costs that it is intended to subsidize. The Company’s research and development tax credits consist primarily of tax credits for the development of e-business and tax credits for non-refundable research and development. The Company recognizes research and development tax credits as a reduction of research and development and other related expenditures.

Income taxes

Current tax

The current tax payable is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statements of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax assets are recognized for all deductible temporary differences and unused losses to the extent that it is probable that taxable income against which those deductible temporary differences and losses can be utilized will be available. Deferred tax assets and liabilities are recognized for all temporary differences except if the taxable temporary difference arises from the initial recognition of goodwill or if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax amounts

Current and deferred tax amounts are recognized as an expense or income in net loss, except when they relate to items that are recognized outside of net loss (whether in other comprehensive income (loss) or directly in accumulated deficit), in which case the tax is also recognized outside of net loss.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Restructuring provisions are recognized when the Company has put in place a detailed restructuring plan which has been communicated in sufficient detail to create a constructive obligation. Restructuring provisions include only costs directly related to the restructuring plan, and are measured at the best estimate of the amount required to settle the Company's obligations. Restructuring expense also includes other expenses that directly arise from the restructuring, are necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

If the known expected settlement date exceeds 12 months from the date of recognition, provisions are discounted using a current pre-tax interest rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at the end of each reporting period and adjusted as appropriate.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

On the consolidated statement of cash flows, lease payments related to short-term leases, low value assets and variable lease payments not included in lease liabilities are classified as cash flows used in operating activities, whereas the remaining lease payments are classified as cash flows used in financing activities.

Equity incentive plans

The Company records all share-based payments at their respective fair values. The Company recognizes share-based compensation expense over the vesting period of the tranche of awards being considered. The fair value of stock options granted to employees is generally estimated at the date of grant using the Black-Scholes option pricing model. The Company also estimates forfeitures at the time of grant and revises its estimate, if necessary, in subsequent periods if actual forfeitures differ from these estimates. Any consideration paid by employees on exercising stock options and the corresponding portion previously credited to additional paid-in capital are credited to share capital.

The Black-Scholes option pricing model used by the Company to calculate option values was developed to estimate the fair value. This model requires assumptions, including expected option life, volatility, risk-free interest rate and dividend yield, which greatly affect the calculated values. Expected option life is determined using the time-to-vest-plus-historical-calculation-from-vest-date method that derives the expected life based on a combination of each tranche's time to vest plus the actual or expected life of an award based on the past activity or remaining time to expiry on outstanding awards. Expected volatility is determined using comparable companies for which the information is publicly available, or using the Company's own information. The risk-free interest rate is determined based on the rate at the time of grant for zero-coupon Canadian government securities with a remaining term equal to the expected life of the option. Dividend yield is based on the expected annual dividend rate at the time of grant. Expected forfeiture is derived from historical forfeiture rates.

The fair value of options that contain market performance conditions is measured using the Monte Carlo pricing model to estimate the Company's potential future share price. Market conditions are considered in the fair value estimate on the grant date and this fair value is not revised subsequently.

The fair value of restricted share units ("RSUs"), deferred share units ("DSUs") and performance share units which include non-market performance conditions ("PSUs") is measured using the fair value of the Company's shares as if the units were vested and issued on the grant date. An estimate of forfeitures is applied when determining share-based compensation expense as well as estimating the probability of meeting related performance conditions where applicable.

If the vesting date of certain stock options or share awards is accelerated as part of a restructuring, the expense directly related to the acceleration of the stock options or share awards is recognized as a component of restructuring.

Segment information

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM is the highest level of management responsible for assessing Lightspeed's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

Financial instruments

Financial assets

Initial recognition and measurement

The Company's financial assets comprise cash and cash equivalents, restricted cash and restricted deposits, trade and other receivables, merchant cash advances, foreign exchange forward contracts and other assets. All financial assets are recognized initially at fair value, plus, in the case of financial assets that are not measured at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases and sales of financial assets are recognized on the settlement date being the date that the Company receives or delivers the asset. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for those with maturities greater than 12 months after the reporting period.

Subsequent measurement

Cash and cash equivalents, restricted cash and restricted deposits, merchant cash advances and foreign exchange forward contracts are carried at fair value with gains and losses recognized in the consolidated statements of loss and comprehensive loss.

Trade receivables are carried at amortized cost using the effective interest rate method. For information on impairment losses on trade receivables, refer to the Impairment of financial assets section below.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or when the financial assets are written off.

Impairment of financial assets

The Company assesses at each reporting date whether there is any evidence that its trade receivables are impaired. The Company uses the simplified approach for measuring impairment for its trade receivables as these financial assets do not have a significant financing component. Therefore, the Company does not determine if the credit risk for these instruments has increased significantly since initial recognition. Instead, a loss allowance is recognized based on lifetime expected credit losses ("ECL") at each reporting date. Impairment losses and subsequent reversals are recognized in profit or loss and are the amounts required to adjust the loss allowance at the reporting date to the amount that is required to be recognized based on the aforementioned policy. The Company has established a provision matrix that is based on its historical credit loss experiences, adjusted for forward-looking factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized within general and administrative expenses in the consolidated statements of loss and comprehensive loss. Trade receivables are written off when there is no reasonable expectation of recovery.

Financial liabilities

Initial recognition and measurement

The Company's financial liabilities comprise accounts payable and accrued liabilities, lease liabilities, foreign exchange forward contracts and other liabilities. All financial liabilities except lease liabilities are recognized initially at fair value. The Company assesses whether embedded derivative financial instruments are required to be separated from host contracts when the Company first becomes party to the contract.

Subsequent measurement

After initial recognition, financial liabilities, excluding foreign exchange forward contracts, are subsequently measured at amortized cost using the effective interest method. The effective interest method amortization is included as a finance cost in the consolidated statements of loss and comprehensive loss.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derecognition

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled, or expires. Gains and losses are recognized in the consolidated statements of loss and comprehensive loss when the liabilities are derecognized.

Foreign exchange forward contracts

The Company designates certain foreign exchange forward contracts as cash flow hedges when all the requirements in IFRS 9, Financial Instruments are met. The Company recognizes these foreign exchange forward contracts as either assets or liabilities on the consolidated balance sheets and these contracts are measured at fair value at each reporting period. The asset and liability positions of the foreign exchange forward contracts are included in other current assets and accounts payable and accrued liabilities on the consolidated balance sheets, respectively. The Company reflects the gain or loss on the effective portion of a cash flow hedge in other comprehensive income (loss) and subsequently reclassifies cumulative gains and losses to direct cost of revenues, general and administrative, research and development, or sales and marketing expenses, depending on the risk hedged, when the hedged transactions impact the consolidated statements of loss and comprehensive loss. If the hedged transactions become probable of not occurring, the corresponding amounts in accumulated other comprehensive income (loss) are immediately reclassified to finance income or costs. Foreign exchange forward contracts that do not meet the requirements in IFRS 9, Financial Instruments to be designated as a cash flow hedge, are classified as derivative instruments not designated for hedging. The Company measures these instruments at fair value with changes in fair value recognized in finance income or costs. To date, the Company has not had any foreign exchange forward contracts that do not meet the requirements in IFRS 9, Financial Instruments to be designated as a cash flow hedge.

Foreign currency translation

The functional as well as the presentation currency of Lightspeed is the US dollar. Items included in the consolidated financial statements of the Company are measured in the functional currency, which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the changes at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of loss and comprehensive loss.

The results and financial position of all the Company entities that have a functional currency different from the presentation currency are translated into US dollars as follows: assets and liabilities are translated at the closing rate at the reporting date; income and expenses for each statement of operation are translated at average exchange rates; and all resulting exchange differences are recognized in other comprehensive income (loss). For foreign currency translation purposes, goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the operation and translated at the closing rate at each reporting date.

New accounting pronouncements

New accounting pronouncements are issued by the International Accounting Standards Board ("IASB") or other standard-setting bodies, and they are adopted by the Company as at the specified effective date.

New and amended material accounting policies adopted by the Company

The IASB has issued amendments to IAS 1 Presentation of Financial Statements affecting the presentation of liabilities as current or non-current in the statement of financial position, amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to enhance the transparency of supplier finance arrangements by including disclosure requirements, and amendments to IFRS 16 Leases to include variable payments when measuring a lease liability arising from a sale-and-leaseback transaction. These amendments to IAS 1, IAS 7, IFRS 7 and IFRS 16 are effective for annual periods beginning on or after January 1, 2024, with early application permitted. The Company has adopted these amendments as of April 1, 2024. The adoption did not change any classification of financial liabilities, and there was no impact on the Company's accounting policies or the consolidated financial statements as a result of adopting such amendments.

There were no other IFRS Accounting Standards effective within the fiscal year ended March 31, 2025 or International Financial Reporting Interpretations Committee (IFRIC) interpretations that had a material impact on the Company's accounting policies or the consolidated financial statements.

New and amended material accounting policies issued but not yet effective

At the date of authorization of these financial statements, the Company has not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify how to assess and account for situations where a currency is not exchangeable into another. This amendment is effective for annual periods beginning on or after January 1, 2025. The Company does not expect that the adoption of this standard will have a material impact on the consolidated financial statements of the Company in future periods.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to clarify the date of recognition and derecognition of some financial assets and liabilities including introducing a new exception for certain financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduces disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. This amendment is effective for annual periods beginning on or after January 1, 2026. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

The IASB has also issued IFRS 18 Presentation and Disclosure in Financial Statements which includes requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new IFRS 18 standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

4. Significant accounting estimates and assumptions

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the amounts reported in the consolidated financial

statements and accompanying notes. Management reviews its estimates on an ongoing basis based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key estimates and assumptions include:

Revenue recognition

The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of the appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions.

The Company follows the guidance provided in IFRS 15, Appendix B, Principal versus Agent Considerations for determining whether revenue should be recognized at the gross amount of consideration paid by the customer or the net amount of consideration retained by the Company. This determination is a matter of significant judgment that depends on the facts and circumstances of each arrangement.

Impairment of non-financial assets

The Company's impairment test for goodwill is based on internal estimates of fair value less costs of disposal calculations and uses valuation models such as the discounted cash flow model. Key assumptions on which management has based its determination of fair value less costs of disposal include an estimated discount rate, terminal value multiple, and estimated revenue growth rate. These estimates, including the methodology used, the assessment of CGUs and how goodwill is allocated, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Refer to note 16 for additional information on the assumptions used.

Whenever property and equipment, lease right-of-use assets, and intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

Recoverability of deferred tax assets and current and deferred income taxes and tax credits

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred income tax assets are recognized for unused tax losses and deductible temporary differences to the extent it is probable that taxable income will be available against which the losses and deductible temporary differences can be utilized. Management's judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies.

Share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the related instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant, which depends on the terms and conditions of the grant. This also requires making assumptions and determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, interest rate, and dividend yield. Refer to note 25 for additional information on the assumptions used.

Provisions

The Company is involved in litigation and claims from time to time. There can be no assurance that such litigation and claims will be resolved without costly litigation nor in a manner that does not adversely impact the financial position and operating results of the Company. Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In determining the probability of a loss and consequently determining a reasonable estimate, management is required to use significant judgment. Assumptions applied reflect the most probable set of economic conditions and planned courses of action by the Company at the time, but these too may differ over time. Given the uncertainties associated with any litigation, the actual outcome can be different from the Company's estimates and could adversely affect the financial position and operating results of the Company.

Internally generated intangible assets

The Company recognizes internal development costs as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development. Internally generated intangible assets are amortized using the straight-line method over the estimated useful lives of the internally generated intangible assets from the point the asset is available for use.

5. Revenues

The disaggregation of the Company’s revenue was as follows:

	2025 $	2024 $
Subscription revenue	344,772	322,000
Transaction-based revenue	697,273	545,470
Hardware and other revenue	34,781	41,800
Total revenues	1,076,826	909,270

Transaction-based revenue includes $35,175 of revenue from merchant cash advances for the fiscal year ended March 31, 2025 (2024 – $17,158). The Company discloses revenue by geographic area in note 29.

Commission assets

	2025 $	2024 $
Balance - Beginning of fiscal year	32,970	27,307
Additions	22,757	21,291
Amortization (within sales and marketing expenses)	(18,840)	(15,628)
Balance - End of fiscal year	36,887	32,970

Contract assets

	2025 $	2024 $
Balance - Beginning of fiscal year	32,207	19,536
Additions	16,002	20,562
Amortization (within subscription and transaction-based revenue)	(16,205)	(7,891)
Balance - End of fiscal year	32,004	32,207

Contract liabilities

Revenue recognized that was included in the deferred revenue balance at the beginning of the fiscal years ended March 31, 2025 and 2024 is $67,336 and $68,094, respectively.

6. Direct cost of revenues

	2025 $	2024 $
Subscription cost of revenue	70,753	77,585
Transaction-based cost of revenue	505,631	390,522
Hardware and other cost of revenue	50,237	55,913
Total direct cost of revenues	626,621	524,020

Inventories expensed during the fiscal year ended March 31, 2025 in direct cost of revenues amount to $ 39,564 (2024 – $45,470).

7. Government assistance

Government assistance recognized as a reduction of expenses is as follows:

	2025 $	2024 $
Direct cost of revenues	556	291
General and administrative	1,384	674
Research and development	5,210	2,796
Sales and marketing	253	130
Total government assistance	7,403	3,891

Government assistance includes research and development tax credits, grants, and other incentives.

8. Employee compensation

The total employee compensation comprising salaries and benefits, including share-based compensation and related payroll taxes, excluding government assistance and acquisition-related compensation, for the fiscal year ended March 31, 2025, was $337,001 (2024 - $346,631).

The following table outlines share-based compensation and related payroll taxes included in the following expenses:

	2025 $	2024 $
Direct cost of revenues	3,323	6,188
General and administrative	18,054	19,492
Research and development	18,654	25,298
Sales and marketing	16,547	22,807
Restructuring	—	1,995
Total share-based compensation and related payroll taxes	56,578	75,780

The amount recognized as an expense for the fiscal year ended March 31, 2025 for our defined contribution plans was $ 8,623 (2024 - $5,269).

9. Finance income and costs

	2025 $	2024 $
Interest income	37,979	43,959
Interest expense	(1,481)	(1,428)
Net interest income	36,498	42,531

10. Loss per share

The Company has stock options and share awards as potentially-dilutive shares. Diluted net loss per share excludes all potentially-dilutive shares if their effect is anti-dilutive. As a result of net losses incurred, all potentially-dilutive shares have been excluded from the calculation of diluted net loss per share because including them would be anti-dilutive; therefore, basic and diluted number of shares is the same for the fiscal years ended March 31, 2025 and 2024. All outstanding potentially dilutive shares could potentially dilute loss per share in the future.

	2025	2024
Issued Common Shares	146,399,347	153,547,616
Weighted average number of Common Shares (basic and diluted)	153,676,514	153,765,412
Net loss per share – basic and diluted	($4.34)	($1.07)

The weighted average number of potentially dilutive shares that are not included in the diluted net loss per share calculations because they would be anti-dilutive was 15,755,632 stock options and share awards for the fiscal year ended March 31, 2025 (2024 - 16,788,252). This weighted average number includes all of the Company's issued and outstanding potentially dilutive shares notwithstanding exercise prices, as applicable.

11. Trade and other receivables

	2025 $	2024 $
Trade receivables	39,744	48,132
Allowance for expected credit losses	(6,445)	(5,056)
Trade receivables, net	33,299	43,076
Research and development tax credits receivable	7,626	8,276
Sales tax receivable	9,898	7,106
Accrued interest and other	2,254	3,826
Total trade and other receivables	53,077	62,284

12. Other current assets

	2025 $	2024 $
Restricted cash and restricted deposits	1,364	1,582
Prepaid expenses and deposits	29,414	14,097
Commission asset	18,010	14,806
Contract asset and other	16,908	12,301
Total other current assets	65,696	42,786

13. Leases

The Company leases certain properties under non-cancellable lease agreements that relate to office spaces and vehicles. The remaining lease terms are between one and five years.

The roll-forward of lease right-of-use assets is as follows:

	2025	2024
Cost	**$**	**$**
Balance - Beginning of fiscal year	33,528	36,480
Additions	120	3,819
Modifications to and disposals of lease contracts	(3,162)	(6,701)
Exchange differences	129	(70)
Balance - End of fiscal year	30,615	33,528
Accumulated depreciation		
Balance - Beginning of fiscal year	16,453	15,507
Depreciation charge	5,220	7,946
Modifications to and disposals of lease contracts	(3,830)	(6,935)
Exchange differences	58	(65)
Balance - End of fiscal year	17,901	16,453
Net book value		
Balance - Beginning of fiscal year	17,075	20,973
Balance - End of fiscal year	12,714	17,075

The maturity analysis of lease liabilities as at March 31, 2025 is as follows:

Fiscal Year	**$**
2026	5,654
2027	4,044
2028	3,175
2029	2,223
2030	1,877
Total minimum payments	16,973

Expenses relating to short-term leases, including those excluded due to the election of the practical expedient allowing the Company to expense lease payments for short-term leases and leases for which the underlying asset is of low value, as well as variable lease payments not included in the measurement of lease liabilities, were approximately $3,129 for the fiscal year ended March 31, 2025 (2024 - $2,689). The interest expense for the fiscal year ended March 31, 2025 was $ 1,306 (2024 - $1,211).

14. Property and equipment

2025

	Furniture $	Equipment $	Computer equipment $	Leasehold improvements $	Total $
Cost					
As at March 31, 2024	3,656	1,670	12,096	20,490	37,912
Additions	392	31	3,151	371	3,945
Disposals	(297)	(559)	(2,648)	(523)	(4,027)
As at March 31, 2025	3,751	1,142	12,599	20,338	37,830
Accumulated depreciation					
As at March 31, 2024	1,701	1,155	7,203	7,357	17,416
Depreciation	609	214	3,334	3,182	7,339
Disposals	(297)	(559)	(2,648)	(523)	(4,027)
As at March 31, 2025	2,013	810	7,889	10,016	20,728
Net book value as at March 31, 2025	1,738	332	4,710	10,322	17,102

2024

	Furniture $	Equipment $	Computer equipment $	Leasehold improvements $	Total $
Cost					
As at March 31, 2023	2,552	1,400	9,754	17,518	31,224
Additions	1,126	282	3,257	2,974	7,639
Disposals	(22)	(12)	(915)	(2)	(951)
As at March 31, 2024	3,656	1,670	12,096	20,490	37,912
Accumulated depreciation					
As at March 31, 2023	1,191	917	5,204	4,421	11,733
Depreciation	532	250	2,914	2,938	6,634
Disposals	(22)	(12)	(915)	(2)	(951)
As at March 31, 2024	1,701	1,155	7,203	7,357	17,416
Net book value as at March 31, 2024	1,955	515	4,893	13,133	20,496

15. Intangible assets

2025

	Acquired software technologies $	Customer relationships $	Capitalized software technologies $	Total $
Cost				
As at March 31, 2024	212,649	343,690	14,785	571,124
Additions	—	—	19,259	19,259
Acquired through business combinations	826	667	—	1,493
Exchange differences	(183)	(351)	—	(534)
As at March 31, 2025	213,292	344,006	34,044	591,342
Accumulated amortization				
As at March 31, 2024	145,646	198,447	—	344,093
Amortization	31,619	55,479	1,334	88,432
Exchange differences	(183)	(542)	—	(725)
As at March 31, 2025	177,082	253,384	1,334	431,800
Net book value as at March 31, 2025	36,210	90,622	32,710	159,542

2024

	Acquired software technologies $	Customer relationships $	Capitalized software technologies $	Total $
Cost				
As at March 31, 2023	212,842	344,187	4,269	561,298
Additions	—	—	10,516	10,516
Exchange differences	(193)	(497)	—	(690)
As at March 31, 2024	212,649	343,690	14,785	571,124
Accumulated amortization				
As at March 31, 2023	109,417	140,431	—	249,848
Amortization	36,422	58,626	—	95,048
Exchange differences	(193)	(610)	—	(803)
As at March 31, 2024	145,646	198,447	—	344,093
Net book value as at March 31, 2024	67,003	145,243	14,785	227,031

16. Goodwill

	2025 $	2024 $
Carrying Amount - Beginning of fiscal year	1,349,235	1,350,645
Addition through business combinations	6,161	—
Impairment loss	(556,440)	—
Foreign currency translation	(994)	(1,410)
Carrying Amount - End of fiscal year	797,962	1,349,235

Impairment analysis

March 31, 2025

During the three months ended March 31, 2025, there were changes in macroeconomic conditions and the Company's share price and market capitalization decreased. This led to the carrying amount of the Company's net assets exceeding the Company's market capitalization as at March 31, 2025. This triggered an impairment test to be performed for the Company's Segment, as defined in note 3, which is the level at which management monitors goodwill. Impairment, if any, is determined by assessing the recoverable amount of the Segment. The Segment's recoverable amount is the higher of the Segment's fair value less costs of disposal and its value in use.

The Company completed an impairment test of goodwill as at March 31, 2025 using the Company's fair value less costs of disposal method. This test resulted in a non-cash impairment charge of $556,440 related to goodwill during the three months ended March 31, 2025 as the terminal value multiple was negatively impacted by the macroeconomic conditions, and the Company's revenue growth rate was negatively impacted by the macroeconomic impact on the Company's customers' sales. Fair value less costs of disposal is a Level 3 measurement (see note 27).

Fair value less costs of disposal was estimated using an income approach, more specifically, a discounted cash flow model. The discounted cash flow model takes into consideration a five-year financial forecast, which is based on the Company’s actual performance and management’s best estimates of future performance, and calculates a terminal value based on revenues. The cash flows are discounted using a weighted average cost of capital reflecting the market assessment. The costs to sell were estimated to be 2.5% of the fair value amount. The carrying value of the Segment was compared with the fair value less costs of disposal to test for impairment.

Sensitivity of assumptions

The following table indicates the impact on the carrying value of a 5% change in the key assumptions as at March 31, 2025:

Key Assumptions	Input used in discounted cash flow model		Impairment increase if the key assumption was changed by 5%, assuming all other key assumptions were held constant*
			$
Discount Rate (%)	30	%	60,121
Terminal Value Multiple		1.2	46,885
Revenue Growth Rate (%)	23	%	45,231

**Discount rate multiplied by 1.05, terminal value multiple multiplied by 0.95, revenue growth rate multiplied by 0.95*

Goodwill is more susceptible to impairment risk if business operating results or economic conditions deteriorate. A reduction in the terminal value multiple, an increase in the discount rate or a decrease in the revenue growth rate could cause additional impairment in the future. The determination of the recoverable amount involves the use of estimates by management and can have a material impact on the respective value and ultimately the amount of any impairment. The Company is required to perform its next annual goodwill impairment analysis on December 31, 2025, or earlier should there be a goodwill impairment trigger before then. No impairment charges were taken on other assets included in Lightspeed's cash generating units.

December 31, 2024

During the three months ended December 31, 2024, the Company's annual impairment test of goodwill was performed for the Company's Segment, as defined in note 3, which is the level at which management monitors goodwill. Impairment, if any, is determined by assessing the recoverable amount of the Segment and comparing it to the carrying value of the Segment. The Segment's recoverable amount is the higher of the Segment's fair value less costs of disposal and its value in use.

The Company completed its annual impairment test of goodwill as at December 31, 2024 using the Company's fair value less costs of disposal method. This test demonstrated no impairment of goodwill as at December 31, 2024. Fair value less costs of disposal is a Level 3 measurement (see note 27). Fair value less costs of disposal was estimated using an income approach, more specifically, a discounted cash flow model. The discounted cash flow model takes into consideration a five-year financial forecast, which is based on the Company's actual performance and management's best estimates of future performance, and calculates a terminal value based on revenues. The cash flows are discounted using a weighted average cost of capital reflecting the market assessment. The costs to sell were estimated to be 2.5% of the fair value amount. The carrying value of the Segment was compared with the fair value less costs of disposal to test for impairment.

Sensitivity of assumptions

The following table presents the key assumptions used in the annual impairment test of goodwill as at December 31, 2024, and the key assumption that would have been required to recover the carrying amount:

Key Assumptions	Input used in discounted cash flow model	Breakeven value assuming all other key assumptions were held constant
Discount Rate (%)	30 %	37 %
Terminal Value Multiple	2.0	1.5
Revenue Growth Rate (%)	25 %	19 %

17. Other long-term assets

	2025 $	2024 $
Restricted cash	510	368
Prepaid expenses and deposits	5,486	3,229
Commission asset	18,877	18,164
Contract asset	15,689	21,104
Total other-long term assets	40,562	42,865

18. Accounts payable and accrued liabilities

	2025 $	2024 $
Trade payables and trade accruals	34,146	33,499
Accrued compensation and benefits	25,538	23,595
Accrued payroll taxes on share-based compensation	2,892	3,566
Sales tax payable	4,655	4,893
Provisions and other	5,844	3,126
Total accounts payable and accrued liabilities	73,075	68,679

19. Credit facility

The Company has credit facilities with the Canadian Imperial Bank of Commerce ("CIBC"), which include a $ 7,500 demand revolving operating credit facility (the "Revolver"). The Revolver is available for letters of credit or letters of guarantee for general corporate and working capital purposes.

20. Share capital

As at March 31, 2025, the Company had 146,399,347 Common Shares issued and outstanding, unlimited shares authorized (2024 – 153,547,616).

The Company's authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares and (ii) an unlimited number of preferred shares, issuable in series.

Common Shares

The Common Shares consist of Subordinate Voting Shares with no par value. The holders of outstanding Common Shares are entitled to one vote per share and are entitled to receive dividends at such times and in such amounts and form as the Board may from time to time determine, but subject to the rights of the holders of any preferred shares.

Preferred Shares

The preferred shares are issuable at any time and from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the preferred shares of each series, which may include voting rights, the whole subject to the issue of a certificate of amendment setting forth the designation and provisions attaching to the preferred shares or shares of the series.

Normal Course Issuer Bid

The Board and the TSX approved a normal-course issuer bid ("NCIB") for the Company to purchase at its discretion for cancellation up to 9,722,677 Subordinate Voting Shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of Subordinate Voting Shares issued and outstanding as at March 22, 2024, over the twelve-month period from April 5, 2024 and ended on April 4, 2025.

Under the NCIB, other than purchases made under block purchase exemptions, the Company is allowed, subject to applicable securities laws, to purchase daily, through the facilities of the TSX, a maximum of 165,177 Subordinate Voting Shares representing 25% of the average daily trading volume of 660,709 Subordinate Voting Shares, as calculated per the TSX rules for the six-month period ended on February 29, 2024.

In connection with the NCIB, the Company also entered into an automatic share purchase plan ("ASPP") under which a designated broker may purchase Subordinate Voting Shares at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions and customary self-imposed blackout periods. Any repurchases made under the ASPP are made in accordance with certain purchasing parameters.

During the fiscal year ended March 31, 2025, the Company repurchased and cancelled 9,722,677 Subordinate Voting Shares representing the total authorized amount pursuant to the NCIB for a total consideration, including transaction costs, of $134,193. Of the 9,722,677 Subordinate Voting Shares repurchased, 7,048,751 were purchased under the ASPP for a consideration of $ 92,355. The Company did not repurchase any of its Subordinate Voting Shares under an NCIB in the fiscal year ended March 31, 2024.

Subsequent Event

The Board and the TSX approved the renewal of the Company's NCIB to purchase at its discretion for cancellation up to 9,013,953 Subordinate Voting Shares of the Company, representing approximately 10% of the Company's "public float" (as defined in the TSX Company Manual) of Subordinate Voting Shares issued and outstanding as at March 21, 2025, over the twelve-month period commencing on April 5, 2025 and ending no later than April 4, 2026.

Under the NCIB, other than purchases made under block purchase exemptions, the Company is allowed, subject to applicable securities laws, to purchase daily, through the facilities of the TSX, a maximum of 153,504 Subordinate Voting Shares representing 25% of the average daily trading volume of 614,018 Subordinate Voting Shares, as calculated per the TSX rules for the six-month period ended on February 28, 2025.

In connection with the NCIB, subsequent to the end of the year, the Com pany also entered into an ASPP under which a designated broker may purchase Subordinate Voting Shares at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions and customary self-imposed blackout periods. Any repurchases made under the ASPP are made in accordance with certain purchasing parameters.

During April 2025, under the NCIB and pursuant to the ASPP, the Company repurchased and cancelled 9,013,953 Subordinate Voting Shares representing the total authorized amount pursuant to the NCIB for a consideration of $84,362.

21. Accumulated other comprehensive income (loss)

	Foreign currency differences on translation of foreign operations		Hedging reserve		Total accumulated other comprehensive income (loss)	
	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$
Balance - Beginning of fiscal year	(4,234)	(2,932)	189	(125)	(4,045)	(3,057)
Foreign currency differences on translation of foreign operations	(732)	(1,302)	—	—	(732)	(1,302)
Change in net unrealized gain (loss) on cash flow hedging instruments	—	—	(2,753)	382	(2,753)	382
Deferred income tax recovery (expense)	—	—	68	(68)	68	(68)
Balance - End of fiscal year	(4,966)	(4,234)	(2,496)	189	(7,462)	(4,045)

22. Income taxes

Income tax expense (recovery) includes the following components:

	2025	2024
	$	$
Current		
Related to current year	4,133	2,704
Related to prior years	3,363	1,095
	7,496	3,799
Deferred		
Related to current year	123	(317)
Related to prior years	68	(6)
	191	(323)
Total income tax expense	7,687	3,476

The income tax expense reported, which includes foreign taxes, differs from the amount of the income tax recovery computed by applying Canadian statutory rates as follows:

	2025 $	2024 $
Loss before income taxes	(659,509)	(160,488)
Statutory tax rate	26.5 %	26.5 %
Income tax recovery at the statutory tax rate	(174,770)	(42,529)
Impact of rate differential of foreign jurisdiction	10,916	8,303
Non-deductible share-based compensation and related costs	9,298	14,048
Acquisition-related compensation and transaction-related costs	452	575
Other non-deductible expenses and non-taxable amounts	(1,527)	742
Adjustment related to prior years	3,431	1,089
Goodwill impairment	147,457	—
Changes in unrecognized benefits of deferred tax assets	10,756	19,493
Impact of foreign exchange and other	1,674	1,755
Total income tax expense	7,687	3,476

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2025	2024
Deferred tax assets	**$**	**$**
Property and equipment	3,283	3,924
Non-capital losses carried forward	17,852	24,741
Lease liabilities	3,792	5,657
Deferred revenue	387	421
Long-term incentive plan	8,632	8,844
Capitalized R&D costs	9,060	12,535
Other	2,109	1,570
Total deferred tax assets	45,115	57,692
Deferred tax liabilities		
Property and equipment	(305)	(411)
Intangible assets	(35,032)	(46,697)
Lease right-of-use assets	(2,842)	(4,213)
Other	(6,922)	(5,819)
Total deferred tax liabilities	(45,101)	(57,140)
Net deferred tax assets	14	552
As presented on the consolidated balance sheets:		
Deferred tax assets	298	552
Deferred tax liabilities	(284)	—
Net deferred tax assets	14	552

2025

	Balance as at March 31, 2024	Charged (credited) to consolidated statement of loss	Charged (credited) to other comprehensive loss	Other	Balance as at March 31, 2025
	$	$	$	$	$
Deferred tax assets (liabilities) continuity					
Property and equipment	3,513	(535)	—	—	2,978
Intangible assets	(46,697)	12,060	—	(395)	(35,032)
Lease liabilities	5,657	(1,865)	—	—	3,792
Lease right-of-use assets	(4,213)	1,371	—	—	(2,842)
Non-capital losses carried forward	24,741	(6,889)	—	—	17,852
Deferred revenue	421	(34)	—	—	387
Long-term incentive plan	8,844	(212)	—	—	8,632
Capitalized R&D costs	12,535	(3,475)	—	—	9,060
Other	(4,249)	(612)	68	(20)	(4,813)
Net deferred tax assets (liabilities)	**552**	**(191)**	**68**	**(415)**	**14**

2024

	Balance as at March 31, 2023	Charged (credited) to consolidated statement of loss	Charged (credited) to other comprehensive loss	Other	Balance as at March 31, 2024
	$	$	$	$	$
Deferred tax assets (liabilities) continuity					
Property and equipment	2,617	896	—	—	3,513
Intangible assets	(67,972)	21,275	—	—	(46,697)
Lease liabilities	6,045	(388)	—	—	5,657
Lease right-of-use assets	(5,028)	815	—	—	(4,213)
Non-capital losses carried forward	49,467	(24,726)	—	—	24,741
Deferred revenue	530	(109)	—	—	421
Interest expenses carried forward	3,170	(3,170)	—	—	—
Long-term incentive plan	6,211	2,633	—	—	8,844
Capitalized R&D costs	7,542	4,993	—	—	12,535
Other	(2,281)	(1,896)	(68)	(4)	(4,249)
Net deferred tax assets (liabilities)	**301**	**323**	**(68)**	**(4)**	**552**

The Company has accumulated unrecognized deductible temporary differences, unused tax losses and unrecognized research and development expenditures as follows:

	2025 $	2024 $
Deductible temporary differences	200,408	58,737
Non-capital losses	699,586	676,756
Research and development expenditures	38,837	12,207
	938,831	747,700

As at March 31, 2025, the Company and its subsidiaries have non-capital losses of $ 699,586 (2024 - $676,756) available to reduce future taxable income for which the benefits have not been recognized. From this amount, $371,223 expires from the fiscal year ended March 31, 2026 to the fiscal year ended March 31, 2045 (2024 - $354,039 from the fiscal year ended March 31, 2025 to the fiscal year ended March 31, 2044), while $328,363 has no expiry date (2024 - $322,717).

There was no change in the Canadian statutory tax rate for the financial year.

Government assistance

The Company incurred research and development expenditures and e-business development expenses which are eligible for tax credits. The tax credits recorded are based on management's estimate of amounts expected to be recovered and are subject to audit by the taxation authorities and, accordingly, these amounts may vary. For the fiscal year ended March 31, 2025, the Company recorded a Canadian provision for refundable tax credits of $3,344 (2024 – $3,622). This amount has been recorded as a reduction of research and development and e-business development expenditures for the year. In addition, the Company recorded a non-refundable tax credit of $2,795 (2024 – $0).

As at March 31, 2025, the Company has available Canadian federal non-refundable investment tax credits of $ 2,598 (2024 – $2,598) related to research and development expenditures which may be used to reduce Canadian federal income taxes payable in future years. These non-refundable investment tax credits begin to expire in 2032. The Company also has a non-refundable e-business tax credit of $3,734 (2024 – $5,692) expiring in various dates starting in 2036. The benefits of these non-refundable investment and e-business tax credits have not been recognized in the consolidated financial statements.

Pillar Two

In December 2021, the Organization for Economic Cooperation and Development ("OECD") published *Tax Challenges Arising From the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules* (Pillar Two) introducing a 15% minimum tax rate for multinationals on income arising in each jurisdiction where they operate. Pillar Two applies to multinational enterprises with annual consolidated revenues of EUR 750 million in at least two of the four fiscal years immediately preceding the tested fiscal year. The OECD continues to release guidance and countries are implementing legislation to adopt these rules. On June 20, 2024, Bill C-69 which includes the introduction of the *Global Minimum Tax Act* received royal assent and is enacted for Canadian financial reporting purposes. The *Global Minimum Tax Act* is largely based on the OECD rules, and is effective for fiscal years beginning on or after December 31, 2023. The Company met the threshold of EUR 750 million for the second time in the fiscal year ended March 31, 2025. The fiscal year ended March 31, 2026 will be the first year to which Pillar Two is applicable to the Company. The Company has performed an assessment of its potential exposure to Pillar Two based on available information and determined that there should be no material impact to the consolidated financial statements.

In May 2023, the IASB issued *International Tax Reform - Pillar Two Model* Rules, which amends IAS 12 — Income taxes to introduce a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company applied this exception.

23. Commitments

Refer to note 13 for the maturity analysis of lease liabilities as at March 31, 2025.

In addition to the obligations under lease liabilities, the Company is subject to short-term leases and variable lease payments, as well as various non-cancelable service agreements with minimum spend commitments. The table below outlines the maturity analysis as at March 31, 2025 for the Company's short-term leases and variable lease payments, and for the minimum fixed and determinable portion of the Company's significant unconditional purchase obligations:

	< 1 Year $	1 to 5 Years $	>5 Years $	Total $
Short-term leases and variable lease payments	3,829	10,256	200	14,285
Significant unconditional purchase obligations	37,210	101,020	—	138,230
Total contractual obligations	41,039	111,276	200	152,515

Short-term leases and variable lease payments include short term lease payments and variable lease payments for the Company's share of tenant operating expenses and taxes. Purchase obligations include significant unconditional hardware purchase obligations and non-cancelable service agreements with service providers and payment processors subject to minimum spend commitments.

24. Contingencies and Provisions

Beginning in October 2021, the Company and certain of the Company's officers and directors were named as defendants to an application for authorization to bring a securities class action filed before the Superior Court of Quebec, and the Company and certain of the Company's officers and directors were named as defendants in a securities class action brought in U.S. district court for the Eastern District of New York. The application and action were both sought on behalf of purchasers of the Company's Common Shares, were both based upon allegations that the defendants made false and/or misleading statements to the public and both sought unspecified damages. On February 25, 2025, the U.S. district court for the Eastern District of New York granted the Company's motion to dismiss in full and ruled that the plaintiff failed to allege any actionable claims. Subsequently, the plaintiffs agreed to a Joint Stipulation of Voluntary Dismissal to dismiss the action with prejudice in return for each party's agreement to bear their own attorneys' fees and costs. The application filed before the Superior Court of Quebec remains outstanding and the Company and management intend to vigorously defend against that proceeding.

During the fiscal year ended March 31, 2025, the Company, without admitting liability or wrongdoing, made a general damages payment in settlement of allegations by a residual payments partner that the Company had breached covenants in two agreements with the partner. During the fiscal year ended March 31, 2024, the residual payments partner had purported to terminate the two agreements and ceased to make ongoing payments owed to the Company thereunder. Separately, in October 2024, the residual payments partner paid the Company unpaid amounts of over $9,525 owed to it under the agreements through the quarter ended March 31, 2024. The two agreements terminated and neither the Company nor the residual payments partner have ongoing obligations thereunder.

On October 22, 2021, CloudofChange, LLC, a non-practising entity, filed a patent infringement lawsuit against the Company in the Western District of Texas. The patents at issue in the suit were U.S. Patents Nos. 9,400,640, 10,083,012 and 11,226,793. These patents generally related to web-based point of sale builder systems. Separately, the Company applied for *inter partes* review of all three patents by the U.S. Patent Trial and Appeal Board (the "PTAB"). The PTAB issued final written decisions finding all asserted claims of all three patents unpatentable. The lawsuit has now been stayed

pending final resolutions of the *inter partes* reviews. The plaintiff filed notices of appeal of the PTAB's final written decisions and the Company and management intend to vigorously defend the PTAB's invalidity findings.

Except as indicated, the Company has not provisioned for the above-referenced matters.

The Company is involved in other litigation and claims in the normal course of business. Management is of the opinion that any resulting provisions and ultimate settlements would not materially affect the financial position and operating results of the Company.

Restructuring

During the fiscal year ended March 31, 2025, the Company announced and implemented reorganizations to streamline the Company's operating model and align the organization with its profitable growth strategy. The restructuring expense consisted primarily of cash severance costs. The majority of the expected charges associated with these reorganizations were incurred during the fiscal year ended March 31, 2025.

Provision for severance

	2025 $	2024 $
Balance - Beginning of fiscal year	2,591	1,106
Expensed during the year	17,503	5,211
Paid during the year	(18,379)	(3,726)
Balance - End of fiscal year	**1,715**	**2,591**

The provision is included in accounts payable and accrued liabilities in the provisions and other category in note 18.

Restructuring expenses

	2025 $	2024 $
Severance	17,503	5,211
Share-based compensation expense acceleration	—	1,995
Restructuring	**17,503**	**7,206**

25. Share-based compensation **(numbers of shares and awards are presented in per share and per award amounts)**

In 2012, the Company established the 2012 option plan (which was amended in 2015, 2019 and 2021) (the “2012 Legacy Option Plan”). Employee stock option grants under the 2012 Legacy Option Plan generally vested 25% a year annually over four years and have a term of seven years. In connection with the Company's initial public offering in Canada (the "IPO"), the 2012 Legacy Option Plan was amended such that outstanding options granted thereunder are exercisable for Common Shares and no further awards can be made under the 2012 Legacy Option Plan.

In connection with the IPO, an omnibus incentive plan (as amended and restated, the “Omnibus Incentive Plan”) was adopted. The Omnibus Incentive Plan was amended and restated in November 2019 to give effect to certain housekeeping amendments. The Omnibus Incentive Plan was amended and restated in September 2020 to convert such plan from a "fixed plan" to a "rolling plan", whereby the maximum number of Common Shares of the Company which may be reserved and

set aside for issuance under such plan and the 2012 Legacy Option Plan were changed from a fixed number of Common Shares to a maximum aggregate number of Common Shares equal to 15% of all Common Shares issued and outstanding from time to time on a non-diluted basis. On that basis, as at March 31, 2025, the maximum number of Common Shares available under the Omnibus Incentive Plan and the 2012 Legacy Option Plan was 21,959,902. In February 2021, the Omnibus Incentive Plan was updated to amend certain definitions.

The Omnibus Incentive Plan allows the Board to grant long-term equity-based awards to eligible participants in the form of stock options, RSUs, DSUs, and PSUs. All options granted under the Omnibus Incentive Plan have an exercise price determined and approved by the Board at the time of grant, which cannot be less than the market price of a Common Share on the date of the grant. Employee stock options under the Omnibus Incentive Plan generally vest as to 25% on the first anniversary of the grant date and then monthly thereafter for 36 months until fully vested or monthly for 48 months until fully vested, are granted with a term of seven years and settled via the issuance of new Common Shares upon exercise. In some instances, the Company has granted stock options with other non-standard vesting schedules.

Each RSU, DSU and PSU evidences the right to receive one Common Share (issued from treasury or purchased on the open market), cash based on the value of a Common Share or a combination thereof at some future time. RSUs under the Omnibus Incentive Plan generally vest as to 30% either on the first anniversary of the grant date or spread over each of the first four quarterly anniversaries of the grant date, followed in either case by eight equal quarterly tranches until fully vested. In some instances, the Company has granted RSUs with other non-standard vesting schedules. PSU vesting is conditional on the attainment of specified performance metrics determined by the Board. RSUs and PSUs must be settled before the date that is three years after the last day of the calendar year in which the performance of services for which the RSUs or PSUs were granted, occurred. DSUs generally vest on the grant date and must be settled after the termination date of the holder, but prior to the last day of the calendar year following such termination date. Each of RSUs, DSUs and PSUs may be settled via the issuance of shares, cash or a combination thereof at the discretion of the Board.

In connection with the acquisition of ShopKeep Inc. ("ShopKeep"), the Company assumed the ShopKeep Plan. The assumed options were converted based on the option exchange ratio calculated in accordance with the definitive merger agreement into options to purchase the Company's Common Shares with corresponding adjustments made to (i) the number of shares issuable upon exercise of each assumed option and (ii) the exercise price of each such assumed option. A total of 1,226,214 Common Shares were reserved under the ShopKeep Plan. Immediately prior to the acquisition of ShopKeep, the ShopKeep Plan was amended such that outstanding options granted thereunder are exercisable for Common Shares and no further awards can be made under the ShopKeep Plan.

The Company has also made grants of stock options and RSUs in prior fiscal years without shareholder approval in compliance with an allowance under the rules of the TSX as inducements for executive officers to enter into contracts of full-time employment with the Company. The terms of such grants generally align with the terms governing grants of comparable awards under the Omnibus Incentive Plan, though a separate share reserve is maintained for issuance in connection with the exercise or settlement of such awards.

In the fiscal year ended March 31, 2022, the Company also made grants of long-term, multi-year performance-based stock options to its Chief Financial Officer and its now-former Chief Executive Officer. To the extent these options have not been forfeited, such options will vest over an approximately five year time period and only upon achievement of predetermined performance criteria. The options were granted in accordance with the Omnibus Incentive Plan, with the exercise price determined and approved by the Board at the time of grant, which exercise prices were not less than the fair market price of a Common Share on the date of grant. The options have a term of seven years and are settled via the issuance of Common Shares upon exercise.

The stock option activity and the weighted average exercise price are summarized as follows:

	2025		2024	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding – Beginning of year*	11,083,212	24.73	10,060,296	30.56
Granted	2,637,460	14.03	3,899,244	13.77
Exercised	(311,307)	10.17	(412,780)	5.20
Forfeited/Cancelled	(3,086,817)	25.78	(2,463,548)	30.16
Outstanding – End of fiscal year**	10,322,548	22.12	11,083,212	25.68
Exercisable – End of fiscal year	5,124,556	26.59	4,335,111	30.17

*The 2025 beginning of year weighted average exercise price was adjusted from the prior year closing weighted average exercise price to account for the CAD to USD foreign exchange rate used when calculating the current fiscal year's weighted average exercise prices.
**The stock options outstanding as at March 31, 2025 included 1,014,999 stock options with vesting dependent on market conditions tied to the Company's future share price performance.

The RSU, DSU and PSU activity and the weighted average grant date fair values as at March 31, 2025 are summarized as follows:

	2025		2025		2025	
	RSU		DSU		PSU	
	Number of awards	Weighted average grant date fair value $	Number of awards	Weighted average grant date fair value $	Number of awards	Weighted average grant date fair value $
Outstanding – Beginning of year	6,200,768	22.02	119,541	19.99	—	—
Granted	4,124,890	13.85	41,283	14.90	—	—
Settled	(2,318,732)	29.20	—	—	—	—
Forfeited	(1,246,744)	16.67	—	—	—	—
Outstanding – End of year	6,760,182	15.56	160,824	18.68	—	—

The RSU, DSU and PSU activity and the weighted average grant date fair values as at March 31, 2024 are summarized as follows:

	2024		2024		2024	
	RSU		DSU		PSU	
	Number of awards	Weighted average grant date fair value $	Number of awards	Weighted average grant date fair value $	Number of awards	Weighted average grant date fair value $
Outstanding – Beginning of year	5,540,767	28.92	65,398	23.31	619,640	28.73
Granted	3,114,515	14.11	54,143	15.97	—	—
Settled	(1,595,478)	31.18	—	—	(167,284)	28.73
Forfeited	(859,036)	20.81	—	—	(452,356)	28.73
Outstanding – End of year	6,200,768	22.02	119,541	19.99	—	—

The fair value of stock options granted to employees was estimated at the dates of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2025	2024
Expected volatility	59.83 %	63.64 %
Risk-free interest rate	3.79 %	3.85 %
Expected option life	3.84 years	3.80 years
Expected dividend yield	0 %	0 %
Forfeiture rate	29.59 %	29.53 %

The fair value of stock options, RSUs and DSUs granted in the fiscal year ended March 31, 2025 amounted to $ 76,554 (2024 – $70,614). The initial aggregate fair value of options, RSUs and PSUs forfeited/cancelled in the fiscal year ended March 31, 2025 amounted to $51,026 (2024 – $63,397). For the fiscal year ended March 31, 2025, share-based compensation expense of $ 55,605 (2024 – $74,913) was recorded in the consolidated statements of loss and comprehensive loss with a corresponding credit to additional paid-in capital.

As at March 31, 2025, the total remaining unrecognized share-based compensation expense, net of estimated forfeitures, amounted to $34,076 (2024 – $38,427), which will be amortized over the weighted average remaining requisite service period of 1.31 years (2024 – 1.31 years).

The following table summarizes information with respect to stock options outstanding and stock options exercisable as at March 31, 2025:

	Options outstanding			Options exercisable		
Exercise price $	**Number of options**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price $**	**Number of options**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price $**
2.17 to 12.82	2,449,818	5.08	11.93	1,059,585	4.49	11.61
12.83 to 14.19	2,176,643	5.82	13.92	624,814	5.57	13.83
14.20 to 20.93	1,835,467	5.27	16.45	865,102	4.90	17.16
20.94 to 30.75	1,976,335	2.86	23.30	1,435,603	2.42	23.83
30.76 to 93.45	1,884,285	3.56	49.14	1,139,452	3.40	58.15
Total	10,322,548	4.57	22.12	5,124,556	3.87	26.59

The following table summarizes information with respect to stock options outstanding stock options exercisable as at March 31, 2024:

	Options outstanding			Options exercisable		
Exercise price $	**Number of options**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price $**	**Number of options**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price $**
2.17 to 13.35	2,483,720	5.51	12.46	787,825	4.12	10.62
13.36 to 17.01	2,169,016	6.11	14.69	419,481	5.76	14.72
17.02 to 23.25	2,137,549	4.55	20.94	1,033,606	3.80	21.42
23.26 to 31.69	2,469,252	4.31	29.05	804,717	3.15	25.37
31.70 to 93.45	1,823,675	3.87	57.75	1,289,482	3.63	57.16
Total	11,083,212	4.91	25.68	4,335,111	3.88	30.17

26. Related party transactions

Key management personnel includes executive officers. Other related parties include close family members of the key management personnel and entities controlled by the key management personnel.

The executive compensation expense to the top five key management personnel is as follows:

	2025 $	2024 $
Short-term employee benefits and termination benefits	2,569	4,374
Share-based payments	11,963	11,778
Total compensation paid to key management personnel	14,532	16,152

27. Financial instruments

Fair value

The Company measures the fair value of certain of its financial assets and financial liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Other techniques for which inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability;

Level 3: Techniques which use inputs that have a significant effect on the recognized fair value that require the Company to use its own assumptions about market participant assumptions.

The Company estimated the fair value of its financial instruments as described below.

The fair value of cash and cash equivalents, restricted cash and restricted deposits, trade receivables and trade payables and accrued liabilities is considered to be equal to their respective carrying values due to their short-term maturities.

Recurring fair value measurements

The fair value of foreign exchange forward contracts was determined based on Level 2 inputs, which included period-end mid-market quotations for each underlying contract as calculated by the financial institution with which the Company has transacted. The quotations represent the discounted future settlement amounts based on current market rates.

The fair value of merchant cash advances was determined based on Level 3 inputs by calculating the present value of the future estimated cash flows based on the terms of the agreements. Key assumptions for the fiscal year ended March 31, 2025 include an average repayment period of 8 months, an average discount rate, over the repayment period, of 14% and amounts deemed uncollectible, which includes write offs, of $12,503. No reasonably possible change in the key assumptions would lead to a significant change in the fair value of merchant cash advances due to their expected short-term repayment periods.

The movement in the merchant cash advances is as follows:

	2025 $	2024 $
Balance - Beginning of fiscal year	74,236	29,492
Principal issued	276,165	165,884
Amounts collected	(266,904)	(132,277)
Transaction-based revenues from fees collected incorporating fair value movement	35,175	17,158
General & administrative expenses from amounts deemed uncollectible	(12,503)	(6,021)
Balance - End of fiscal year	106,169	74,236

As at March 31, 2025 and 2024, financial instruments measured at fair value in the consolidated balance sheets were as follows:

	March 31, 2025			March 31, 2024		
	Fair value hierarchy	Carrying amount $	Fair value $	Fair value hierarchy	Carrying amount $	Fair value $
Assets:						
Cash and cash equivalents	Level 1	558,469	558,469	Level 1	722,102	722,102
Restricted cash and restricted deposits	Level 1	1,874	1,874	Level 1	1,950	1,950
Merchant cash advances	Level 3	106,169	106,169	Level 3	74,236	74,236
Foreign exchange forward contracts	Level 2	0	0	Level 2	257	257
Liabilities:						
Foreign exchange forward contracts	Level 2	2,496	2,496	Level 2	0	0

Credit and concentration risk

The Company's credit risk is primarily attributable to its cash and cash equivalents, trade and other receivables and merchant cash advances. Credit risk with respect to cash and cash equivalents is managed by maintaining balances only with high credit quality financial institutions. The Company does not hold any collateral as security. The Company does not generally require a guarantee from its customers for trade receivables.

Due to the Company's diverse customer base, there is no particular concentration of credit risk related to the Company's trade receivables and merchant cash advances. Moreover, trade receivables and merchant cash advances are managed and analyzed on an ongoing basis to ensure timely collection of amounts.

The Company maintains a loss allowance for a portion of trade receivables when collection becomes doubtful on the basis described in note 3. As described in that note, the ECL includes forward-looking factors specific to the debtors and the economic environment.

In the fiscal year ended March 31, 2025, potential effects from uncertainty in the macroeconomic environment on the Company's credit risk have been considered and have resulted in an increase to its allowance for ECLs from what the allowance would have been without factoring in these effects. The Company continues to monitor macroeconomic conditions and any resulting impacts on the Company's credit risk.

Changes in the loss allowance were as follows:

	2025 $	2024 $
Balance – Beginning of fiscal year	5,056	4,131
Increase	4,597	4,015
Write-offs	(3,208)	(3,090)
Balance – End of fiscal year	6,445	5,056

Liquidity risk

The Company is exposed to the risk of being unable to honor its financial commitments by the deadlines set, under the terms of such commitments and at a reasonable price. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

As at March 31, 2025 and 2024, the maturity analysis of financial liabilities represented the following:

2025

	<1 Year $	1 to 5 Years $	>5 Years $	Total $
Accounts payable and accrued liabilities	73,075	—	—	73,075
Other long-term liabilities	—	562	—	562

2024

	<1 Year $	1 to 5 Years $	>5 Years $	Total $
Accounts payable and accrued liabilities	68,679	—	—	68,679
Other long-term liabilities	—	967	—	967

For the maturity analysis of lease liabilities, see note 13. Details of contractual commitments are included in note 23.

The Company has $558,469 of cash and cash equivalents as at March 31, 2025, demonstrating its liquidity and its ability to cover upcoming financial liabilities.

Foreign exchange risk

The main currencies which expose the Company to foreign exchange risk due to financial instruments denominated in foreign currencies are the Canadian dollar, the Euro, the Australian dollar, the British pound sterling and the New Zealand dollar. The following table provides a summary of the Company's foreign exchange exposures, after taking into account relevant foreign exchange forward contracts, expressed in thousands of US dollars:

2025	**CAD**	**EUR**	**AUD**	**GBP**	**NZD**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents and restricted cash	3,600	10,019	3,244	2,759	2,151	1,469	23,242
Trade and other receivables	17,333	4,615	723	1,468	356	279	24,774
Merchant cash advances	14,359	14,291	12,921	7,671	1,348	—	50,590
Contract assets	3,758	6,340	5,876	2,452	1	1,483	19,910
Accounts payable and accrued liabilities	(10,218)	(12,383)	(3,573)	(613)	(2,771)	(3,135)	(32,693)
Other long-term liabilities	(192)	(207)	(41)	(97)	—	(3)	(540)
Lease liabilities	(8,739)	(3,306)	(1,046)	(1,957)	(1,218)	(63)	(16,329)
Net financial position exposure	19,901	19,369	18,104	11,683	(133)	30	68,954

2024	**CAD**	**EUR**	**AUD**	**GBP**	**NZD**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents and restricted cash	3,039	4,446	1,375	1,638	2,088	924	13,510
Trade and other receivables	13,769	4,823	1,403	1,841	769	914	23,519
Merchant cash advances	10,252	5,734	6,958	5,620	621	—	29,185
Contract assets	3,458	6,366	6,682	2,303	—	1,103	19,912
Accounts payable and accrued liabilities	(12,952)	(9,747)	(3,454)	(2,208)	(2,299)	(3,258)	(33,918)
Other long-term liabilities	(275)	(224)	(67)	(174)	—	(41)	(781)
Lease liabilities	(10,154)	(2,971)	(1,484)	(3,033)	(1,456)	(948)	(20,046)
Net financial position exposure	7,137	8,427	11,413	5,987	(277)	(1,306)	31,381

The table below shows the immediate change in loss before income taxes of a 1% strengthening in the average exchange rate of significant currencies to which the Company has transaction exposure for the fiscal years ended March 31, 2025 and 2024. The sensitivity associated with a 1% weakening of a particular currency would be equal and opposite. This assumes that each currency moves in isolation.

	CAD	**EUR**	**AUD**	**GBP**	**NZD**	**Other**
	$	**$**	**$**	**$**	**$**	**$**
2025	(211)	369	279	(58)	(137)	(105)
2024	(163)	246	138	(89)	(160)	(125)

Foreign exchange forward contracts

The Company's policy is to mitigate its exposure to foreign exchange risk by entering into derivative instruments. The Company has hedged some of its foreign currency exchange risk. The Company has entered into multiple foreign exchange forward contracts. The Company's currency pair used for cash flow hedges is US dollar / Canadian dollar. The Company

does not use derivative instruments for speculative purposes. The Company's hedging program does not mitigate the impact of foreign currency fluctuations on its revenue.

Cash flow hedges

The Company has a hedging program to mitigate the impact of foreign currency fluctuations on future cash flows and earnings. Under this program the Company has entered into foreign exchange forward contracts and designated those hedges as cash flow hedges.

The notional principal of the foreign exchange contracts was $ 113,750 CAD as at March 31, 2025 (March 31, 2024 - $ 95,550 CAD).

Hedging reserve

	2025 $	2024 $
Balance - Beginning of fiscal year	189	(125)
Unrealized gains (losses) on fair value that may be subsequently reclassified to consolidated statements of loss	(4,746)	512
Losses (gains) reclassified to direct cost of revenues, general and administrative expenses, research and development expenses, and sales and marketing expenses.	1,993	(130)
Deferred income tax recovery (expense)	68	(68)
Balance - End of fiscal year	(2,496)	189

No hedge ineffectiveness was recorded during the fiscal year ended March 31, 2025.

All hedging relationships have been maintained as at March 31, 2025. No balance in the hedging reserve relates to hedging relationships for which hedged accounting is no longer applied.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will have a negative impact on earnings and cash flows. Certain of the Company’s cash earns interest. The Company’s trade and other receivables, accounts payable and accrued liabilities do not bear interest. The Company is not exposed to material interest rate risk.

Share price risk

Accrued payroll taxes on share-based compensation (social costs) are payroll taxes associated with share-based compensation that the Company is subject to in various countries in which it operates. Social costs are accrued at each reporting period based on inputs including, but not limited to, the number of stock options and share awards outstanding, the vesting of the stock options and share awards, the exercise price, and the Company’s share price. Changes in the accrual are recognized in direct cost of revenues and operating expenses. An increase in share price will increase the accrual for social costs, and a decrease in share price will result in a decrease in the accrual for social costs, all other things being equal, including the number of stock options and share awards outstanding and exercise price remaining constant.

28. Capital risk management

The general objectives of the Company to manage its capital reside in the preservation of the Company’s ability to continue operating, in providing benefits to its stakeholders and in providing an adequate return on investment to its shareholders by selling its services at a price commensurate with the level of operating risk assumed by the Company.

The Company thus determines the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and in the risks of the underlying assets.

29. Geographic information

The geographic segmentation of the Company's assets is as follows:

	2025				2024			
	Property and equipment	Right-of-use assets	Intangible assets	Goodwill	Property and equipment	Right-of-use assets	Intangible assets	Goodwill
	$	$	$	$	$	$	$	$
Canada	9,975	5,562	36,557	797,962	12,217	6,900	—	1,349,235
United States	281	—	119,960	—	698	—	179,563	—
United Kingdom	1,179	1,449	—	—	1,625	2,434	—	—
Switzerland	168	61	3,025	—	297	848	370	—
New Zealand	1,399	713	—	—	1,878	921	42,004	—
Other	4,100	4,929	—	—	3,781	5,972	5,094	—

Geographic sales based on customer location are detailed as follows:

	2025	2024
	$	$
United States	693,659	616,628
Canada	90,365	65,073
Australia	80,831	67,288
United Kingdom	59,567	47,233
Other	152,404	113,048

EXHIBIT 99.4

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dax Dasilva, certify that:

1. I have reviewed this annual report on Form 40-F of Lightspeed Commerce Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: May 22, 2025

/s/ *Dax Dasilva*
Dax Dasilva
Chief Executive Officer

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Asha Hotchandani Bakshani, certify that:

1. I have reviewed this annual report on Form 40-F of Lightspeed Commerce Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: May 22, 2025

/s/ *Asha Hotchandani Bakshani*
Asha Hotchandani Bakshani
Chief Financial Officer

EXHIBIT 99.5

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Lightspeed Commerce Inc. (the "Company") on Form 40-F for the year ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dax Dasilva, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:
(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 22, 2025

/s/ *Dax Dasilva*
Dax Dasilva
Chief Executive Officer

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Lightspeed Commerce Inc. (the "Company") on Form 40-F for the year ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Asha Hotchandani Bakshani, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 22, 2025

/s/ *Asha Hotchandani Bakshani*
Asha Hotchandani Bakshani
Chief Financial Officer

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended March 31, 2025 of Lightspeed Commerce Inc. of our report dated May 22, 2025, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in Exhibit 99.3 incorporated by reference in this Annual Report on Form 40-F.

We also consent to the incorporation by reference in the Registration Statements on Form F-10 (No.333-272083) and Form S-8 (Nos. 333-249175 and 333-251139) of Lightspeed Commerce Inc. of our report dated May 22, 2025 referred to above. We also consent to the reference to us under the heading "Interests of Experts" in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/PricewaterhouseCoopers LLP

Montréal, Canada

May 22, 2025