

Lightspeed Announces First Quarter 2025 Financial Results and Raises Adjusted EBITDA Outlook for Fiscal 2025

Total revenue of \$266.1 million grew 27% year-over-year and exceeded outlook

Net loss improved to (\$35.0) million and positive Adjusted EBITDA¹ of \$10.2 million exceeded the \$7 million outlook

GPV as a percentage of GTV was 36% in the quarter, up from 22% in the prior year

Quarterly ARPU² grew 31% year-over-year to a record ~\$502

Lightspeed repurchased ~2.7 million shares during the quarter for ~\$40 million

Lightspeed reports in US dollars and in accordance with IFRS.

MONTREAL, August 1, 2024, /PRNewswire/ - Lightspeed Commerce Inc. ("Lightspeed" or the "Company") (TSX | NYSE: LSPD), today announced financial results for the three months ended June 30, 2024. Lightspeed is the unified POS and payments platform for ambitious entrepreneurs to accelerate growth, provide the best customer experiences and become a go-to destination in their space.

"This was my first full quarter returning as Lightspeed's CEO and I am thrilled to see the volume of capabilities we are releasing for our customers," said Dax Dasilva, Founder and CEO. "Lightspeed continues to distinguish itself with advanced inventory management and B2B functionality that we believe no other retail platform can match and in hospitality we are preparing to deliver never-before-seen levels of productivity improvement to streamline restaurant operations."

"Fiscal 2025 is off to a great start with first quarter revenues and Adjusted EBITDA exceeding outlook," said Asha Bakshani, CFO. "We have spent the last year expanding payments adoption and right-sizing our cost structure and that is reflected in our results today. We are now turning our focus to accelerating growth in our software business so that we can continue to pursue our goal of profitable growth."

First Quarter Financial Highlights

(All comparisons are relative to the three-month period ended June 30, 2023 unless otherwise stated):

- Total revenue of \$266.1 million, an increase of 27% year-over-year.
- Transaction-based revenue of \$174.1 million, an increase of 44% year-over-year.
- Subscription revenue of \$83.3 million, an increase of 6% year-over-year.
- Net loss of (\$35.0) million, or (\$0.23) per share, as compared to a net loss of (\$48.7) million, or (\$0.32) per share and an Adjusted Income¹ of \$16.1 million, or \$0.10 per share¹ as compared to an Adjusted Loss¹ of (\$2.2) million, or (\$0.01) per share¹.
- Adjusted EBITDA¹ of \$10.2 million versus Adjusted EBITDA¹ loss of (\$7.0) million.
- Under its Normal Course Issuer Bid, Lightspeed repurchased and cancelled 2,673,926 of its own shares for a total consideration, including transaction costs, of \$39.9 million.
- As at June 30, 2024, Lightspeed had \$673.9 million in cash and cash equivalents.

First Quarter Operational Highlights

- Lightspeed delivered several new product releases in the quarter including:
 - **Omnichannel Loyalty Program** for Lightspeed merchants allows consumers to earn and redeem loyalty credits both in-store and online, all managed from the merchant's POS.
 - **Landed Costs** incorporates the full cost of an item including shipping and duties, allowing merchants to better price their offerings and making accounting reconciliation easier.

¹ Non-IFRS measure or ratio. See the section entitled "Non-IFRS Measures and Ratios" and the reconciliation to the most directly comparable IFRS measure or ratio.

² Excluding Customer Locations attributable to the Eewid eCommerce standalone product.

- **Product Bin Locations** allows merchants to identify where products are stored within their warehouses or storage areas right from the POS, allowing employees to quickly find, pack, ship and sell orders.
 - Improvements to **inventory management and auditing** on both mobile and desktop devices allow retailers to streamline their inventory management approach by recording stock adjustments where and when they find them.
 - A new **product reviews** feature allows merchants to automatically collect, manage, and promote customer reviews.
 - **AI powered photo enhancements** greatly improve product photos for Lightspeed e-commerce sites which can help boost product sales.
 - **Over 12,000 pet products added to the Supplier Network** — from brands such as YETI and Farmina, our pet merchants can now scan in or type a product name and automatically upload descriptions and images into their POS.
 - Enhancements to **NuORDER Assortments** including new B2B capabilities, version histories, and roles for sharing assortments with brand partners.
 - **Tableside with Tap to Pay** launched for Lightspeed Restaurants in the UK and Canada and **Tap to Pay on iPhone** launched in France and Australia.
 - Delivery partnership with **Uber Direct** and **Uber Eats**, making it easier for merchants to reach more customers.
- ARPU^{2,3} increased to ~\$502 from ~\$383 in the same quarter last year representing an increase of 31% driven by our focus on our unified POS and payments offering and high GTV customer adoption.
 - Gross profit of \$108.2 million an increase of 23% year over year. Overall gross margin was 41%, compared to 42% in the same quarter last year, reflecting a higher portion of customers adopting Lightspeed Payments. Subscription gross margins grew to 79% in the quarter from 75% in the same quarter last year driven by a dedicated effort to controlling costs and improved overall efficiencies. Transaction-based gross margins were 26%, consistent with last year with Lightspeed Capital helping to offset the declines in referral fees.
 - GTV generated by Lightspeed's flagship platforms increased by 24% compared to the same period last year, demonstrating that for its ideal customer profile and with its flagship products, Lightspeed continues to gain traction. Total GTV³ was \$23.6 billion, up 1% year-over-year.
 - An increasing portion of GTV is being processed through the Company's payments solutions. GPV³ increased 64% to \$8.4 billion in the quarter from \$5.1 billion in the same period last year, largely due to the Company's unified POS and payments initiatives during Fiscal 2024.
 - Customer Locations with GTV exceeding \$500,000/year⁴ and \$1 million/year⁴ both increased 4% year-over-year.
 - Lightspeed Capital showed strong growth with revenue increasing 388% year-over-year.
 - Notable customer wins include:
 - **Google's GBike**, with three locations across Google's California campus, signed onto Lightspeed Retail to power their bike shops;
 - **Horkans** in Ireland with 17 locations across three brands recently adopted Lightspeed Retail;

³ Key Performance Indicator. See the section entitled "Key Performance Indicators."

⁴ Excluding Customer Locations and GTV attributable to the Eewid eCommerce standalone product, Lightspeed Golf and NuORDER by Lightspeed product. A Customer Location's GTV per year is calculated by annualizing the GTV for the months in which the Customer Location is actively processing in the last twelve months.

- **Karavel Shoes** in Texas joined Lightspeed Retail to experience the value of a unified software and payment solution for their inventory tracking needs;
 - **Northgate Resorts** with over 20 locations across the U.S. signed up for Lightspeed Restaurant to manage their sophisticated multi-location needs;
 - **Foodmaker**, the health food restaurant group with over 20 locations in Europe chose Lightspeed Restaurant to handle their complex multi-location operations;
 - **Dineen Coffee**, a boutique coffeehouse in Toronto with five locations has chosen Lightspeed Restaurant; and
 - **Tommy Hilfiger, Calvin Klein** and luxury Swiss footwear brand **Bally** were part of dozens of new brands that were added to our Supplier Network.
- After the quarter, Lightspeed published its third annual Sustainability Report. Key highlights include: planting more than 1.8 million trees through Lightspeed's Carbon Friendly Dining initiative; rolling out Lightspeed Capital to more countries including France, the Netherlands, Germany and Belgium to open up more ways for independent merchants to access capital; and improving representation of women in Lightspeed's leadership where 50% of Lightspeed's executive officer positions are held by women.

Financial Outlook⁵

The following outlook supersedes all prior statements made by the Company and is based on current expectations.

Lightspeed continues to remain confident that total revenue growth for the full fiscal year will be at least 20%. The Company expects its initiatives aimed at increasing subscription revenue growth, such as outbound sales, price increases, and account managers transitioning back to selling software, to gain momentum and benefit the second half of Fiscal 2025. Additionally, for the full year, Lightspeed is increasing its outlook for Adjusted EBITDA profitability given better than expected results from various cost saving initiatives.

For the second quarter, we will likely see similar trends to Lightspeed's first quarter, with sales growth coming predominately from transaction-based revenue as we continue to expand adoption of the Company's payments and capital offerings. For the second quarter's year-over-year growth, the Company is lapping a significant revenue uplift due to the surge of Unified Payments customers becoming live last year. Furthermore, our initiatives aimed at growing software sales will only partially impact the upcoming quarter. As a result, the Company's outlook is as follows:

Second Quarter 2025

- Revenue of approximately \$270 million to \$275 million.
- Adjusted EBITDA¹ of approximately \$12 million.

Fiscal 2025

- Revenue growth of at least 20%.
- Adjusted EBITDA¹ of a minimum of \$45 million.

Conference Call and Webcast Information

Lightspeed will host a conference call and webcast to discuss the Company's financial results at 8:00 am ET on Thursday, August 1, 2024. To access the telephonic version of the conference call, visit <https://registrations.events/direct/Q4I74316633>. After registering, instructions will be shared on how to join the call including dial-in information as well as a unique passcode and registrant ID. At the time of the call, registered participants will dial in using the numbers from the confirmation email, and upon

⁵ The financial outlook is fully qualified and based on a number of assumptions and subject to a number of risks described under the heading "Forward-Looking Statements" and "Financial Outlook Assumptions" of this press release.

entering their unique passcode and ID, will be entered directly into the conference. Alternatively, the webcast will be available live on the Investors section of the Company's website at <https://investors.lightsspeedhq.com>.

Among other things, Lightspeed will discuss quarterly results, financial outlook and trends in its customer base on the conference call and webcast, and related materials will be made available on the Company's website at <https://investors.lightsspeedhq.com>. Investors should carefully review the factors, assumptions and uncertainties included in such related materials.

An audio replay of the call will also be available to investors beginning at approximately 11:00 a.m. Eastern Time on August 1, 2024 until 11:59 p.m. Eastern Time on August 8, 2024, by dialing 800.770.2030 for the U.S. or Canada, or 647.362.9199 for international callers and providing conference ID 74316. In addition, an archived webcast will be available on the Investors section of the Company's website at <https://investors.lightsspeedhq.com>.

Lightspeed's unaudited condensed interim consolidated financial statements and management's discussion and analysis for the three months ended June 30, 2024 are available on Lightspeed's website at <https://investors.lightsspeedhq.com> and will be filed on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov.

Financial Outlook Assumptions

When calculating the Adjusted EBITDA included in our financial outlook for the quarter ending September 30, 2024 and full year ending March 31, 2025, we considered IFRS measures including revenues, direct cost of revenues, and operating expenses. Our financial outlook is based on a number of assumptions, including assumptions related to inflation, changes in interest rates, consumer spending, foreign exchange rates and other macroeconomic conditions; that the jurisdictions in which Lightspeed has significant operations do not impose strict measures like those put in place in response to pandemics like the COVID-19 pandemic; requests for subscription pauses and churn rates owing to business failures remain in line with planned levels; our Customer Location count remaining in line with our planned levels (particularly in higher GTV cohorts); quarterly subscription revenue growth gradually ramping up throughout the year to 10-15% growth; revenue streams resulting from certain partner referrals remaining in line with our expectations (particularly in light of our decision to unify our POS and payments solutions, which payments solutions have in the past and may in the future, in some instances, be perceived by certain referral partners to be competing with their own solutions); customers adopting our payments solutions having an average GTV at our planned levels; continued uptake of our payments solutions in line with our expectations in connection with our ongoing efforts to sell our POS and payments solutions as one unified platform; gross margins reflecting a trend towards more transaction-based revenue in our revenue mix; our ability to price our payments solutions in line with our expectations and to achieve suitable margins and to execute on more optimized pricing structures; our ability to manage default risks of our merchant cash advances in line with our expectations; seasonal trends of our key verticals being in line with our expectations and the resulting impact on our GTV and transaction-based revenues; continued success in module adoption expansion throughout our customer base; our ability to selectively pursue strategic opportunities and derive the benefits we expect from the acquisitions we have completed including expected synergies resulting from the prioritization of our flagship Lightspeed Retail and Lightspeed Restaurant offerings; market acceptance and adoption of our flagship offerings, including migration of existing customers to our flagship offerings; our ability to attract and retain key personnel required to achieve our plans; our ability to execute our succession planning; our expectations regarding the costs, timing and impact of our reorganization and other cost reduction initiatives; our ability to manage customer churn; and our ability to manage customer discount requests. Our financial outlook does not give effect to the potential impact of acquisitions that may be announced or closed after the date hereof. Our financial outlook, including the various underlying assumptions, constitutes forward-looking information and should be read in conjunction with the cautionary statement on forward-looking information below. Many factors may cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by such forward-looking information, including the risks and uncertainties related to: macroeconomic factors affecting small and medium-sized businesses, including inflation, changes in interest rates and consumer spending trends; instability in the banking sector; exchange rate fluctuations; any pandemic or global health crisis; the Russian invasion of Ukraine and reactions thereto; the Israel-Hamas war and reactions thereto; uncertainty and changes as a result

of elections in the U.S. and Europe; our inability to attract and retain customers, including among high GTV customers; our inability to increase customer sales; our inability to implement our growth strategy; our inability to continue to increase adoption of our payments solutions, including our initiative to sell our POS and payments solutions as one unified platform; our ability to successfully execute our pricing and packaging initiatives; risks relating to our merchant cash advance program; our ability to continue offering merchant cash advances and scaling our merchant cash advance program in line with our expectations; our reliance on a small number of cloud service suppliers and suppliers for parts of the technology in our payments solutions; our ability to manage and maintain integrations between our platform and certain third-party platforms; our ability to maintain sufficient levels of hardware inventory; our inability to improve and enhance the functionality, performance, reliability, design, security and scalability of our platform; our ability to prevent and manage information security breaches or other cyber-security threats; our ability to compete against competitors; strategic relations with third parties; our reliance on integration of third-party payment processing solutions; compatibility of our solutions with third-party applications and systems; changes to technologies on which our platform is reliant; our ability to effectively incorporate artificial intelligence solutions into our business and operations; our ability to obtain, maintain and protect our intellectual property; risks relating to international operations, sales and use of our platform in various countries; our liquidity and capital resources; pending and threatened litigation and regulatory compliance; changes in tax laws and their application; our ability to expand our sales, marketing and support capability and capacity; our ability to execute on our reorganization and cost reduction initiatives; our ability to successfully make future investments in our business through capital expenditures; our ability to successfully execute our capital allocation strategies; and maintaining our customer service levels and reputation. The purpose of the forward-looking information is to provide the reader with a description of management's expectations regarding our financial performance and may not be appropriate for other purposes.

About Lightspeed

Powering the businesses that are the backbone of the global economy, Lightspeed's one-stop commerce platform helps merchants innovate to simplify, scale and provide exceptional customer experiences. Our cloud commerce solution transforms and unifies online and physical operations, multichannel sales, expansion to new locations, global payments, financial solutions and connection to supplier networks.

Founded in Montréal, Canada in 2005, Lightspeed is dual-listed on the New York Stock Exchange (NYSE: LSPD) and Toronto Stock Exchange (TSX: LSPD). With teams across North America, Europe and Asia Pacific, the Company serves retail, hospitality and golf businesses in over 100 countries.

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

On social media: LinkedIn, Facebook, Instagram, YouTube, and X (formerly Twitter)

Non-IFRS Measures and Ratios

The information presented herein includes certain non-IFRS financial measures such as "Adjusted EBITDA", "Adjusted Income (Loss)", "Adjusted Free Cash Flow", "Non-IFRS gross profit", "Non-IFRS general and administrative expenses", "Non-IFRS research and development expenses", and "Non-IFRS sales and marketing expenses" and certain non-IFRS ratios such as "Adjusted Income (Loss) per Share - Basic and Diluted", "Non-IFRS gross profit as a percentage of revenue", "Non-IFRS general and administrative expenses as a percentage of revenue", "Non-IFRS research and development expenses as a percentage of revenue", and "Non-IFRS sales and marketing expenses as a percentage of revenue". These measures and ratios are not recognized measures and ratios under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures and ratios presented by other companies. Rather, these measures and ratios are provided as additional information to complement those IFRS measures and ratios by providing further understanding of our results of operations from management's perspective. Accordingly, these measures and ratios should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and ratios

are used to provide investors with supplemental measures and ratios of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures and ratios. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and ratios in the evaluation of issuers. Our management also uses non-IFRS measures and ratios in order to facilitate operating performance comparisons from period to period, to prepare operating budgets and forecasts and to determine components of management compensation.

"Adjusted EBITDA" is defined as net loss excluding interest, taxes, depreciation and amortization, or EBITDA, as adjusted for share-based compensation and related payroll taxes, compensation expenses relating to acquisitions completed, foreign exchange gains and losses, transaction-related costs, restructuring, litigation provisions and goodwill impairment. We believe that Adjusted EBITDA provides a useful supplemental measure of the Company's operating performance, as it helps illustrate underlying trends in our business that could otherwise be masked by the effect of the income or expenses that are not indicative of the core operating performance of our business.

"Adjusted Income (Loss)" 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 (Loss) per Share - Basic and Diluted" is defined as Adjusted Income (Loss) divided by the weighted average number of common shares (basic and diluted). We use Adjusted Income (Loss) 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.

"Adjusted Free Cash Flow" is defined as cash flows 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 the 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.

"Non-IFRS gross profit" is defined as gross profit as adjusted for share-based compensation and related payroll taxes. We use this measure as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our business performance in regard to the Company's performance and profitability.

"Non-IFRS gross profit as a percentage of revenue" is calculated by dividing our Non-IFRS gross profit by our total revenue. We use this ratio as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our business performance in regard to the Company's performance and profitability.

"Non-IFRS general and administrative expenses" is defined as general and administrative expenses as adjusted for share-based compensation and related payroll taxes, transaction-related costs and litigation provisions. We use this measure as we believe excluding certain charges provides a helpful supplemental indicator to investors on our operating expenditures.

"Non-IFRS general and administrative expenses as a percentage of revenue" is calculated by dividing our Non-IFRS general and administrative expenses by our total revenue. We use this ratio as we believe excluding certain charges provides a helpful supplemental indicator to investors on our operating expenditures.

"Non-IFRS research and development expenses" is defined as research and development expenses as adjusted for share-based compensation and related payroll taxes. We use this measure as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our operating expenditures.

"Non-IFRS research and development expenses as a percentage of revenue" is calculated by dividing our Non-IFRS research and development expenses by our total revenue. We use this ratio as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our operating expenditures.

"Non-IFRS sales and marketing expenses" is defined as sales and marketing expenses as adjusted for share-based compensation and related payroll taxes. We use this measure as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our operating expenditures.

"Non-IFRS sales and marketing expenses as a percentage of revenue" is calculated by dividing our Non-IFRS sales and marketing expenses by our total revenue. We use this ratio as we believe excluding share-based compensation and related payroll taxes provides a helpful supplemental indicator to investors on our operating expenditures.

See the financial tables below for a reconciliation of the non-IFRS financial measures and ratios.

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 Locations. "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 and in the case of NuORDER, multiple subscriptions. We use this measure as we believe that our ability to increase the number of Customer Locations with a high GTV per year served by our platform is an indicator of our success in terms of market penetration and growth of our business. A Customer Location's GTV per year is calculated by annualizing the GTV for the months in which the Customer Location was actively processing in the last twelve months.

Gross Payment Volume. "Gross Payment Volume" or "GPV" means the total dollar value of transactions processed, excluding amounts processed through the NuORDER solution, in the period through our payments solutions in respect of which we act as the principal in the arrangement with the customer, net of refunds, inclusive of shipping and handling, duty and value-added taxes. We use this measure as we believe that growth in our GPV demonstrates the extent to which we have scaled our payments solutions. As the number of Customer Locations using our payments solutions grows, particularly those with a high GTV, we will generate more GPV and see higher transaction-based revenue. We have excluded amounts processed through the NuORDER solution from our GPV because they represent business-to-business volume rather than business-to-consumer volume and we do not currently have a robust payments solution for business-to-business volume.

Gross Transaction Volume. "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.

Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward looking information may relate to our financial outlook (including revenue and Adjusted EBITDA), 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 reorganization and cost reduction initiatives and personnel changes; our expectations regarding capital expenditures and capital allocation strategies (including our share repurchase program); 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 outcomes and synergies, the impact of pending and threatened litigation, the impact of foreign currency fluctuations on our results of operations, our business plans and strategies and our competitive position in our industry, is forward-looking information.

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", "suggests", "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.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date of such forward-looking information. Forward-looking information 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 the risk factors identified in our most recent Management's Discussion and Analysis of Financial Condition and Results of Operations, under "Risk Factors" in 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 are available under our profiles on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov.

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. 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 news release represents our expectations as of the date hereof (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

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SOURCE Lightspeed Commerce Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(expressed in thousands of US dollars, except number of shares and per share amounts, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Revenues		
Subscription	83,314	78,727
Transaction-based	174,054	120,970
Hardware and other	8,723	9,389
Total revenues	266,091	209,086
Direct cost of revenues		
Subscription	17,507	19,340
Transaction-based	127,952	89,019
Hardware and other	12,424	12,822
Total direct cost of revenues	157,883	121,181
Gross profit	108,208	87,905
Operating expenses		
General and administrative	31,856	24,944
Research and development	27,471	34,035
Sales and marketing	57,070	55,288
Depreciation of property and equipment	1,973	1,457
Depreciation of right-of-use assets	1,394	2,230
Foreign exchange loss	85	671
Acquisition-related compensation	—	2,545
Amortization of intangible assets	22,895	24,505
Restructuring	9,541	472
Total operating expenses	152,285	146,147
Operating loss	(44,077)	(58,242)
Net interest income	10,166	10,362
Loss before income taxes	(33,911)	(47,880)
Income tax expense (recovery)		
Current	801	1,215
Deferred	300	(392)
Total income tax expense	1,101	823
Net loss	(35,012)	(48,703)
Other comprehensive income (loss)		
<i>Items that may be reclassified to net loss</i>		
Foreign currency differences on translation of foreign operations	240	(600)
Change in net unrealized gain (loss) on cash flow hedging instruments, net of tax	(514)	978
Total other comprehensive income (loss)	(274)	378
Total comprehensive loss	(35,286)	(48,325)
Net loss per share – basic and diluted	(0.23)	(0.32)
Weighted average number of Common Shares – basic and diluted	154,744,336	152,523,457

Condensed Interim Consolidated Balance Sheets
(expressed in thousands of US dollars, unaudited)

	As at	
	June 30, 2024	March 31, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	673,948	722,102
Trade and other receivables	46,384	62,284
Merchant cash advances	87,538	74,236
Inventories	18,256	16,492
Other current assets	47,393	42,786
Total current assets	873,519	917,900
Lease right-of-use assets, net	17,574	17,075
Property and equipment, net	19,296	20,496
Intangible assets, net	207,417	227,031
Goodwill	1,349,375	1,349,235
Other long-term assets	41,136	42,865
Deferred tax assets	319	552
Total assets	2,508,636	2,575,154
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	65,492	68,679
Lease liabilities	7,069	6,942
Income taxes payable	1,241	1,709
Deferred revenue	67,225	67,336
Total current liabilities	141,027	144,666
Deferred revenue	765	851
Lease liabilities	16,204	16,269
Other long-term liabilities	794	967
Total liabilities	158,790	162,753
Shareholders' equity		
Share capital	4,301,323	4,362,691
Additional paid-in capital	211,990	213,918
Accumulated other comprehensive loss	(4,319)	(4,045)
Accumulated deficit	(2,159,148)	(2,160,163)
Total shareholders' equity	2,349,846	2,412,401
Total liabilities and shareholders' equity	2,508,636	2,575,154

Condensed Interim Consolidated Statements of Cash Flows
(expressed in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Cash flows from (used in) operating activities		
Net loss	(35,012)	(48,703)
Items not affecting cash and cash equivalents		
Share-based acquisition-related compensation	—	2,469
Amortization of intangible assets	22,895	24,505
Depreciation of property and equipment and lease right-of-use assets	3,367	3,687
Deferred income taxes	300	(392)
Share-based compensation expense	11,328	17,823
Unrealized foreign exchange loss	3	322
(Increase)/decrease in operating assets and increase/(decrease) in operating liabilities		
Trade and other receivables	15,576	13,682
Merchant cash advances	(13,302)	(11,054)
Inventories	(1,764)	(1,810)
Other assets	(3,259)	(3,940)
Accounts payable and accrued liabilities	(3,361)	(8,172)
Income taxes payable	(468)	(3,817)
Deferred revenue	(197)	(563)
Other long-term liabilities	(173)	235
Net interest income	(10,166)	(10,362)
Total operating activities	(14,233)	(26,090)
Cash flows from (used in) investing activities		
Additions to property and equipment	(847)	(1,070)
Additions to intangible assets	(3,269)	(2,285)
Interest income	10,985	10,496
Total investing activities	6,869	7,141
Cash flows from (used in) financing activities		
Proceeds from exercise of stock options	1,349	1,217
Share issuance costs	—	(76)
Shares repurchased and cancelled	(39,946)	—
Payment of lease liabilities and movement in restricted lease deposits	(2,141)	(2,066)
Financing costs	(40)	—
Total financing activities	(40,778)	(925)
Effect of foreign exchange rate changes on cash and cash equivalents	(12)	(3)
Net decrease in cash and cash equivalents during the period	(48,154)	(19,877)
Cash and cash equivalents – Beginning of period	722,102	800,154
Cash and cash equivalents – End of period	673,948	780,277
Income taxes paid	1,056	5,067

Reconciliation from IFRS to Non-IFRS Results
Adjusted EBITDA
(expressed in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Net loss	(35,012)	(48,703)
Share-based compensation and related payroll taxes ⁽¹⁾	11,674	18,733
Depreciation and amortization ⁽²⁾	26,262	28,192
Foreign exchange loss ⁽³⁾	85	671
Net interest income ⁽²⁾	(10,166)	(10,362)
Acquisition-related compensation ⁽⁴⁾	—	2,545
Transaction-related costs ⁽⁵⁾	685	609
Restructuring ⁽⁶⁾	9,541	472
Litigation provisions ⁽⁷⁾	6,053	9
Income tax expense	1,101	823
Adjusted EBITDA	10,223	(7,011)

- (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 ended June 30, 2024, share-based compensation expense was \$11,328 (June 2023 - expense of \$17,823), and related payroll taxes were an expense of \$346 (June 2023 - expense of \$910). These amounts are included in direct cost of revenues, general and administrative expenses, research and development expenses and sales and marketing expenses (see note 6 of the unaudited condensed interim consolidated financial statements for additional details).
- (2) In connection with the accounting standard IFRS 16 - Leases, for the three months ended June 30, 2024, net loss includes depreciation of \$1,394 related to right-of-use assets, interest expense of \$354 on lease liabilities, and excludes an amount of \$2,110 relating to rent expense (\$2,230, \$287, and \$2,066, respectively, for the three months ended June 30, 2023).
- (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 the three months ended June 30, 2024, we announced a reorganization to streamline the Company's operating model while continuing to focus on profitable growth. The expenses associated with reorganization initiatives were recorded as a restructuring charge (see note 14 of the unaudited condensed interim consolidated financial statements for additional details).
- (7) 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 14 of the unaudited condensed interim consolidated financial statements for additional details).

Reconciliation from IFRS to Non-IFRS Results (continued)
Adjusted Income (Loss) and Adjusted Income (Loss) per Share - Basic and Diluted
 (expressed in thousands of US dollars, except number of shares and per share amounts, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Net loss	(35,012)	(48,703)
Share-based compensation and related payroll taxes ⁽¹⁾	11,674	18,733
Amortization of intangible assets	22,895	24,505
Acquisition-related compensation ⁽²⁾	—	2,545
Transaction-related costs ⁽³⁾	685	609
Restructuring ⁽⁴⁾	9,541	472
Litigation provisions ⁽⁵⁾	6,053	9
Deferred income tax expense (recovery)	300	(392)
Adjusted Income (Loss)	16,136	(2,222)
Weighted average number of Common Shares – basic and diluted⁽⁶⁾	154,744,336	152,523,457
Net loss per share – basic and diluted	(0.23)	(0.32)
Adjusted Income (Loss) per Share – Basic and Diluted	0.10	(0.01)

- (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 ended June 30, 2024, share-based compensation expense was \$11,328 (June 2023 - expense of \$17,823), and related payroll taxes were an expense of \$346 (June 2023 - expense of \$910). These amounts are included in direct cost of revenues, general and administrative expenses, research and development expenses and sales and marketing expenses (see note 6 of the unaudited condensed interim consolidated financial statements for additional details).
- (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 the three months ended June 30, 2024, we announced a reorganization to streamline the Company's operating model while continuing to focus on profitable growth. The expenses associated with reorganization initiatives were recorded as a restructuring charge (see note 14 of the unaudited condensed interim consolidated financial statements for additional details).
- (5) 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 14 of the unaudited condensed interim consolidated financial statements for additional details).
- (6) In periods where we reported an Adjusted Loss, as a result of the Adjusted Losses incurred, all potentially-dilutive shares have been excluded from the calculation of Adjusted Loss per Share - Diluted because including them would be anti-dilutive. Adjusted Loss per Share - Diluted is the same as Adjusted Loss per Share - Basic in these periods where we incurred an Adjusted Loss. For the three months ended June 30, 2024, 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.

Reconciliation from IFRS to Non-IFRS Results (continued)
Adjusted Free Cash Flow
(expressed in thousands of US dollars, unaudited)

	Three months ended	
	June 30,	
	2024	2023
	\$	\$
Cash flows used in operating activities	(14,233)	(26,090)
Capitalized internal development costs ⁽¹⁾	(3,269)	(2,285)
Additions to property and equipment ⁽²⁾	(847)	(1,070)
Merchant cash advances, net ⁽³⁾	15,379	13,233
Adjusted Free Cash Flow	(2,970)	(16,212)

- ⁽¹⁾ These amounts represent the cash outflow associated with capitalized internal development costs, most of which relate to the development of Lightspeed B2B. These amounts are included within the cash flows from (used in) investing activities section of the unaudited condensed interim consolidated statements of cash flows. If these costs were not capitalized as an intangible asset, they would be part of our cash flows 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 unaudited condensed interim consolidated statements of cash flows.
- ⁽³⁾ These amounts represent cash outflows, including the principal advanced, and cash inflows, including the repayment of principal and fees, in respect of merchant cash advances.

Reconciliation from IFRS to Non-IFRS Results (continued)
(In thousands of US dollars, except percentages, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Gross profit	108,208	87,905
% of revenue	40.7 %	42.0 %
add: Share-based compensation and related payroll taxes ⁽³⁾	742	1,853
Non-IFRS gross profit⁽¹⁾	108,950	89,758
Non-IFRS gross profit as a percentage of revenue ⁽²⁾	40.9 %	42.9 %
General and administrative expenses	31,856	24,944
% of revenue	12.0 %	11.9 %
less: Share-based compensation and related payroll taxes ⁽³⁾	4,300	6,181
less: Transaction-related costs ⁽⁴⁾	685	609
less: Litigation provisions ⁽⁵⁾	6,053	9
Non-IFRS general and administrative expenses⁽¹⁾	20,818	18,145
Non-IFRS general and administrative expenses as a percentage of revenue ⁽²⁾	7.8 %	8.7 %
Research and development expenses	27,471	34,035
% of revenue	10.3 %	16.3 %
less: Share-based compensation and related payroll taxes ⁽³⁾	3,175	8,376
Non-IFRS research and development expenses⁽¹⁾	24,296	25,659
Non-IFRS research and development expenses as a percentage of revenue ⁽²⁾	9.1 %	12.3 %
Sales and marketing expenses	57,070	55,288
% of revenue	21.4 %	26.4 %
less: Share-based compensation and related payroll taxes ⁽³⁾	3,457	2,323
Non-IFRS sales and marketing expenses⁽¹⁾	53,613	52,965
Non-IFRS sales and marketing expenses as a percentage of revenue ⁽²⁾	20.1 %	25.3 %

⁽¹⁾ This is a Non-IFRS measure. See the section entitled “Non-IFRS Measures and Ratios”.

⁽²⁾ This is a Non-IFRS ratio. See the section entitled “Non-IFRS Measures and Ratios”.

⁽³⁾ 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 ended June 30, 2024, share-based compensation expense was \$11,328 (June 2023 - expense of \$17,823), and related payroll taxes were an expense of \$346 (June 2023 - expense of \$910). These amounts are included in direct cost of revenues, general and administrative expenses, research and development expenses and sales and marketing expenses (see note 6 of the unaudited condensed interim consolidated financial statements for additional details).

⁽⁴⁾ 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.

⁽⁵⁾ 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 14 of the unaudited condensed interim consolidated financial statements for additional details).