lightspeed

Second Quarter FY2025 Results

November 7, 2024



Disclaimer

General

All references in this presentation to the "Company", "Lightspeed", "us" or "we" are to Lightspeed Commerce Inc. All references in this presentation to dollars, "$" or "US$" are to United States dollars, and all references to Canadian dollars and "C$" are to Canadian dollars.

Cautionary Note Regarding Forward-Looking Information

This presentation contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may relate to our financial outlook (including 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, cost reduction initiatives and personnel changes; 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 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.

This forward-looking information and other forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date 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 but not limited to the risk factors identified in our most recent Management's Discussion and Analysis of Financial Condition and Results of Operation, under "Risk Factors" in our most recent Annual Information Form, and in our 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 forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-IFRS measures and key performance indicators, which do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Refer to "Appendix B" for more details on such non-IFRS measures, the definition of "Adjusted EBITDA" and a reconciliation of such non-IFRS measures to the most directly comparable IFRS measure. In addition, the terms "Average Revenue Per User" or "ARPU", "Customer Locations", "Gross Payment Volume" or "GPV", and "Gross Transaction Volume" or "GTV" are key performance indicators. See "Appendix A" of this presentation for the definition of each such industry metric.

At-a-glance - Q2'2025

$277.2 million
Q2'25 revenue

$8.8 billion [1]
Q2'25 Gross Payment Volume ("GPV")

24% growth [2]
in ARPU to ~$527 [1][3]
(Excluding Ecwid) [4]

$23.6 billion [1][5]
Q2'25 Gross Transaction Volume ("GTV")

20% growth [6]
in revenue

49% growth [6]
in Gross Payment Volume

~97%
recurring or reoccurring subscription and transaction-based revenue (Q2'25)

37% [5][7]
GPV as a % of GTV

(1) Key Performance Indicator. See Appendix A.
(2) As at September 30, 2024 vs as at September 30, 2023.
(3) As at September 30, 2024.
(4) Excluding Ecwid means excluding Customer Locations attributable to the Ecwid eCommerce standalone product.
(5) GTV does not represent revenue generated by Lightspeed.
(6) Three months ended September 30, 2024 vs September 30, 2023.
(7) For the three months ended September 30, 2024.

Big picture

- Last twelve months revenue surpassed **$1 billion.**[1]
- Gross Payment Volume grew **49%** YoY[2] to **$8.8** billion.[3]
- ARPU of ~**$527**[4][5] grew **24%** YoY.[6]

(1) For the 12 months ended September 30, 2024.
(2) Three months ended September 30, 2024 vs September 30, 2023.
(3) For the three months ended September 30, 2024.
(4) As at September 30, 2024.
(5) Excluding Customer Locations attributable to the Ecwid eCommerce standalone product.
(6) As at September 30, 2024 vs as at September 30, 2023.

Quarterly results and outlook

Results

Q2'2025

$277.2 million revenue
$(29.7) million net loss
$14.0 million Adjusted EBITDA[1]

Outlook[2]

Q3'2025

Approximately **$280-285 million** revenue
Approximately **$14 million** Adjusted EBITDA[1]

Fiscal 2025

At least 20% revenue growth
Adjusted EBITDA[1] of a minimum of **$50 million**

(1) This is a non-IFRS measure. Please see Appendix B for Non-IFRS Measures definition and the reconciliation to the most directly comparable IFRS measure.
(2) The financial outlook is fully qualified and based on a number of assumptions and subject to a number of risks. Refer to Appendix C for the financial outlook assumptions and risks and "Disclaimer - Cautionary Note Regarding Forward-Looking Information."

Ideal customers and cohorts



Lightspeed Retail

For ambitious retailers who want intuitive tech to help scale their business, Lightspeed Retail is the easy-to-use platform loved by customers. Our unified system automates tasks, streamlines processes and improves visibility across channels, so you can focus on what matters.



Lightspeed Restaurant

For driven hospitality professionals who want to accelerate their growth while providing the best guest experience, Lightspeed Restaurant is the fast, flexible multilocation platform that simplifies your processes and connects your teams, so you can focus on what matters.

- Customer Locations with GTV of over $500,000/year[1] increased **1%** YoY[2]
- Customer Locations with GTV of over $1 million/year[1] increased **2%** YoY[2]
- Customer Locations with GTV of over $500,000/year[1] have a lower risk of churn and higher lifetime value for Lightspeed compared to lower GTV/year customers

(1) Excluding Customer Locations and GTV attributable to the Ecwid 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 12 months.
(2) As at September 30, 2024 vs as at September 30, 2023.

Customer spotlight - Q2'2025

mavi

Lightspeed Retail

Mavi Jeans in Canada and the US has signed onto Lightspeed Retail. Our sophisticated inventory management capabilities along with well developed APIs, NuORDER integration, and competitive payment rates made Lightspeed Retail the natural choice for this eco conscious denim brand.

4PM

Lightspeed Restaurant

4PM Entertainment in Amsterdam has selected Lightspeed Restaurant. With over 20 locations across the Netherlands and Germany; 4PM will be using Lightspeed Restaurant for their food and beverage services.

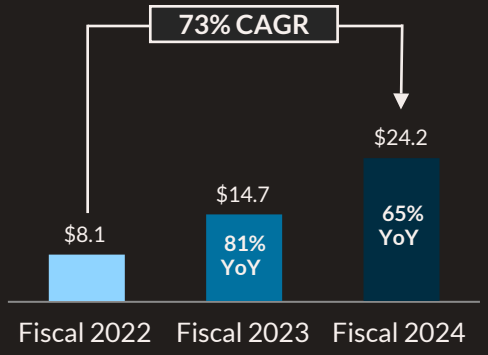
Bare Bones workwear

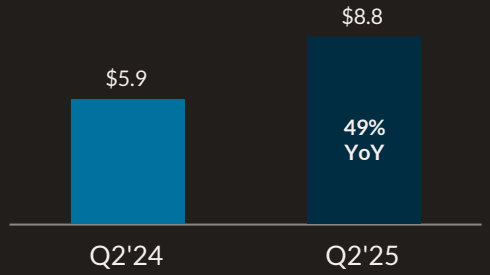
Lightspeed Retail

In California, **Barebones Workwear** adopted Lightspeed Retail. Offering over 100 major workwear brands in their 10 locations across the state, Lightspeed Retail is the perfect fit for this high GTV multi-location retailer.

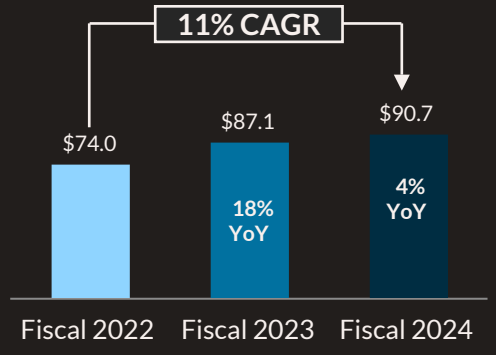
Payments opportunity and transaction volume

Gross Payment Volume (in $B)

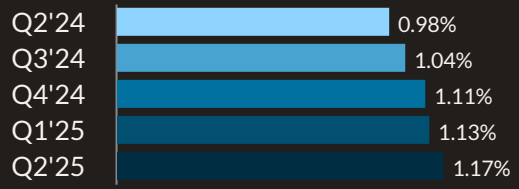




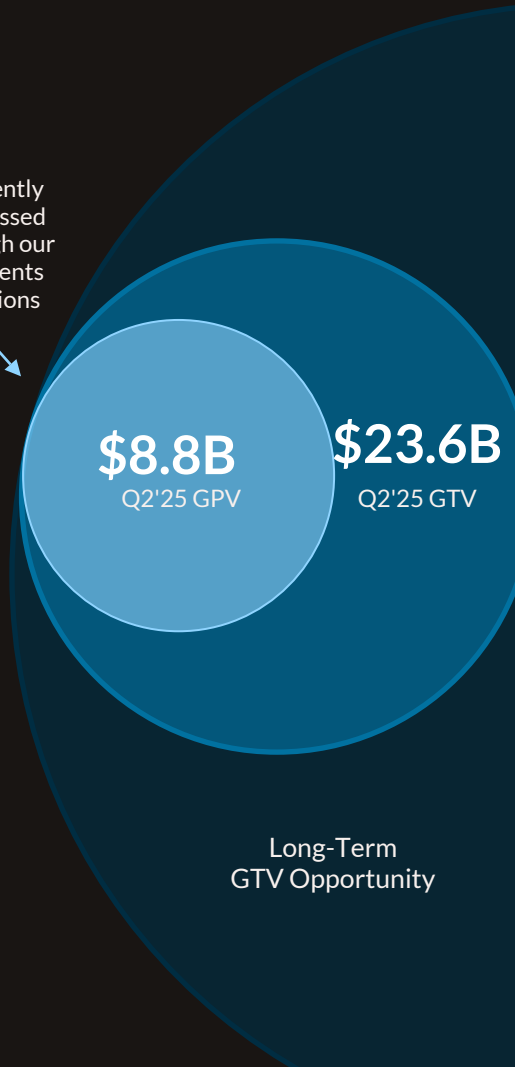
Gross Transaction Volume (in $B) [1]



Total Revenue as a % of GTV



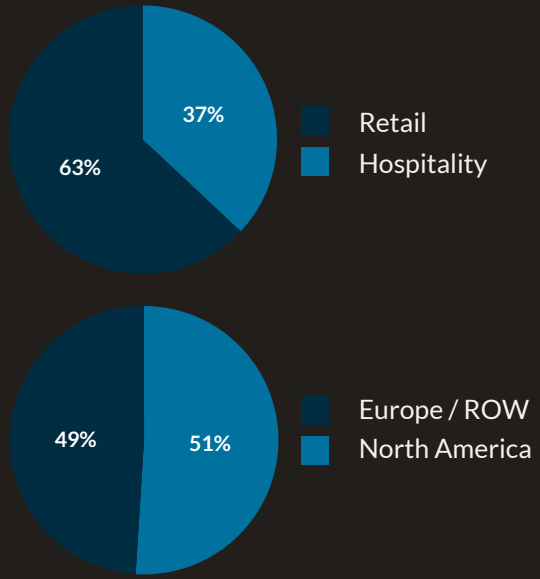
Currently processed through our payments solutions



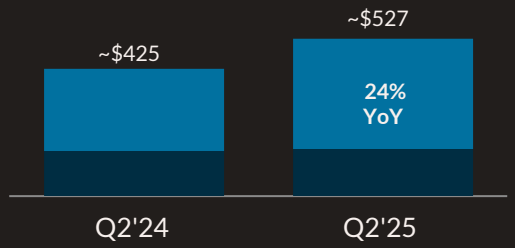
(1) GTV does not represent revenue generated by Lightspeed. See Appendix A.

Shifting sales mix and expanding ARPU

Global Footprint [1]

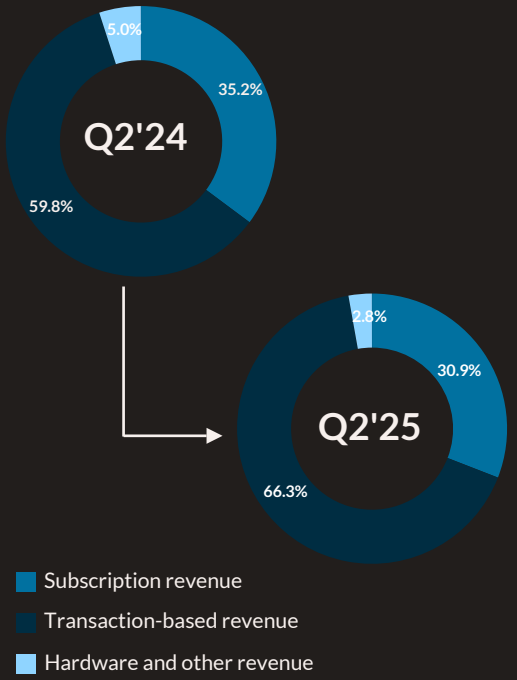


ARPU [2]



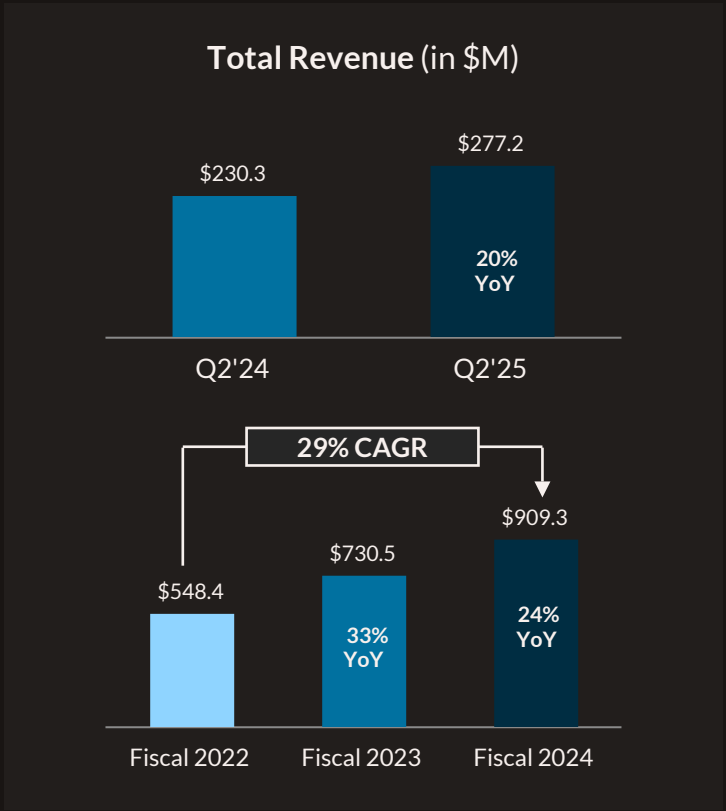
- Focus on our unified POS and payments offering and high GTV customer adoption drives ARPU growth
- ARPU expansion improves revenue growth

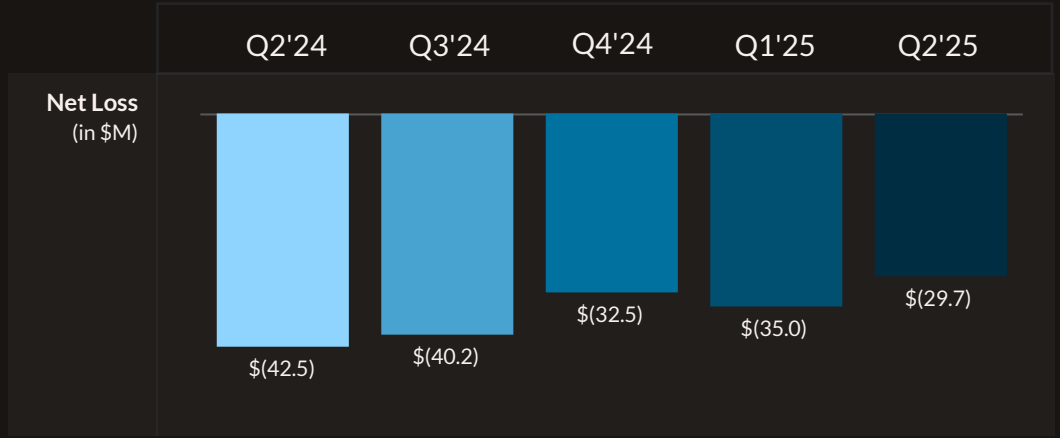
Sales Mix

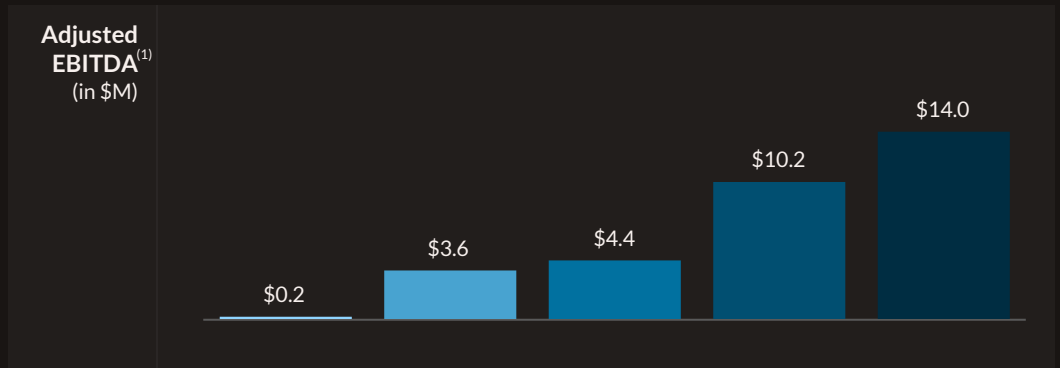


(1) Customer Location industry and geographic distribution are approximate as at September 30, 2024 and exclude the Customer Locations attributable to the Ecwid eCommerce standalone product.
(2) ARPU excludes Customer Locations attributable to the Ecwid eCommerce standalone product, which generally carry a lower ARPU.

Focusing on disciplined growth







(1) This is a Non-IFRS measure. Please see Appendix B for Non-IFRS Measures definition and the reconciliation to the most directly comparable IFRS measure.

Appendix A

Appendix A - Industry metrics

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" 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 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 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.

"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.

Appendix B

Appendix B - Non-IFRS measures

The information presented within this presentation includes certain non-IFRS financial measures such as “Adjusted EBITDA”. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide investors with supplemental measures 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. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures 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.

Appendix B - Non-IFRS measures

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

(In thousands of US dollars)	Three months ended				
	Sept. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023
	$	$	$	$	$
Net Loss	(29,655)	(35,012)	(32,540)	(40,229)	(42,492)
Share-based compensation and related payroll taxes[(1)]	19,527	11,674	8,112	23,636	23,304
Depreciation and amortization[(2)]	25,834	26,262	27,090	27,216	27,130
Foreign exchange loss (gain)[(3)]	(1,337)	85	501	(979)	689
Net interest income[(2)]	(9,543)	(10,166)	(10,524)	(10,899)	(10,746)
Acquisition-related compensation[(4)]	52	—	—	—	560
Transaction-related costs[(5)]	1,727	685	1,766	(625)	458
Restructuring[(6)]	164	9,541	5,422	1,232	80
Litigation provisions[(7)]	5,866	6,053	2,782	4,672	7
Income tax expense (recovery)	1,320	1,101	1,782	(381)	1,252
Adjusted EBITDA	13,955	10,223	4,391	3,643	242

Appendix B - Non-IFRS measures

(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 September 30, 2024, share-based compensation expense was $18,329 (September 2023 - expense of $23,281), and related payroll taxes were an expense of $1,198 (September 2023 - expense of $23). 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 September 30, 2024, net loss includes depreciation of $1,369 related to right-of-use assets, interest expense of $357 on lease liabilities, and excludes an amount of $2,277 relating to rent expense ($1,647, $295, and $2,053, respectively, for the three months ended September 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 13 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 13 of the unaudited condensed interim consolidated financial statements for additional details).

The above footnotes are related to the three months ended September 30, 2023 and 2024. For the footnotes related to the quarter ended June 30, 2024, the quarter ended March 31, 2024, and the quarter ended December 31, 2023, refer to the section entitled “Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios” within Management's Discussion and Analysis of Financial Condition and Results of Operation for each of these respective quarters available on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov

Appendix C

Appendix C - Financial outlook assumptions

When calculating the Adjusted EBITDA included in our financial outlook for the quarter ending December 31, 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% 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; our ability to attract and retain key personnel required to achieve our plans, including outbound and field sales personnel in our key markets; our ability to execute our succession planning; our expectations regarding the costs, timing and impact of our reorganizations 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, divestitures or other strategic transactions 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 "Disclaimer - Cautionary Note Regarding Forward-Looking Information". 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 reorganizations 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; our ability to execute on our business and operational strategy, including as a result of our pending strategic review; 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.

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lightspeed

