

0001823306-25-0000076-K Lightspeed Commerce Inc. 2025020620250206073114073116073116 0 0001823306-25-000007 6-K 5 20250206 20250206 20250206 Lightspeed Commerce Inc. 0001823306 7372 981137623 Z4 0331 6-K 34 001-39498 25595465 700 SAINT-ANTOINE STREET EAST, SUITE 300 MONTREAL Z4 H2Y 1A6 (514) 907-1801 700 SAINT-ANTOINE STREET EAST, SUITE 300 MONTREAL Z4 H2Y 1A6 Lightspeed POS Inc. 20200901 6-K 1 q3f25earns6-k.htm 6-K DocumentUNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORM 6-KReport of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934 For the month ofFebruaryÂ 2025Commission File Number001-39498Â A Â LIGHTSPEED COMMERCE INC.(Translation of registrantâ€™s name into English)Â 700 Saint-Antoine Street East, Suite 300MontrÃ©al, QuÃ©bec, Canada H2Y 1A6(Address of principal executive offices)Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:Form 20-FÂ Form 40-FÂ Indicate by check mark if the registrant is submitting the FormÂ 6-K in paper as permitted by RegulationÂ S-T RuleÂ 101(b)(1): Â A Â A Â A Â A Â A Â A Indicate by check mark if the registrant is submitting the FormÂ 6-K in paper as permitted by RegulationÂ S-T RuleÂ 101(b)(7): Â A Â A Â A Â A Â A Â A DOCUMENTS INCLUDED AS PART OF THIS REPORTExhibitÂ A Â 99.1Lightspeed Commerce Inc. Interim Financial Statements for the Third Quarter ended December 31, 202499.2Lightspeed Commerce Inc. Interim Management's Discussion and Analysis for the Third Quarter ended DecemberÂ 31, 202499.3Lightspeed Commerce Inc. Â€ Form 52-109F2 Certificate of Interim Filings by CEO (pursuant to Canadian regulations)99.4Lightspeed Commerce Inc. Â€ Form 52-109F2 Certificate of Interim Filings by CFO (pursuant to Canadian regulations)Documents 99.1 and 99.2 of this Report on Form 6-K 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).2SIGNATURESPursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.Lightspeed Commerce Inc.(Registrant)February 6, 2025Â A By:Â /s/ Dan MicakName:Â Dan MicakTitle:Â Chief Legal Officer3 EX-99.1 2 financialstatementsfy25q3.htm EX-99.1 DocumentLightspeed Commerce Inc. Condensed Interim Consolidated Financial Statements(Unaudited)For the three and nine months ended December 31, 2024(expressed in thousands of US dollars)Lightspeed Commerce Inc.Condensed Interim Consolidated Balance Sheets (Unaudited)As at December 31 and March 31, 2024(expressed in thousands of US dollars)NotesDecember 31, 2024March 31, 2024Assets\$\$Current assetsCash and cash equivalents661,568Â 722,102Â Trade and other receivables943,655Â 62,284Â Merchant cash advances181,01,316Â 74,236Â Inventories15,871Â 16,492Â Other current assets1055,896Â 42,786Â Total current assets878,306Â 917,900Â Lease right-of-use assets, net14,496Â 17,075Â Property and equipment, net17,538Â 20,496Â Intangible assets, net174,303Â 227,031Â Goodwill11,351,489Â 1,349,235Â Other long-term assets1241,218Â 42,865Â Deferred tax assets513Â 552Â Total assets2,477,863Â 2,575,154Â Liabilities and Shareholdersâ€™ EquityCurrent liabilitiesAccounts payable and accrued liabilities1377,204Â 68,679Â Lease liabilities6,192Â 6,942Â Income taxes payable754Â 1,709Â Deferred revenue59,908Â 67,336Â Total current liabilities144,058Â 144,666Â Deferred revenue786Â 851Â Lease liabilities12,968Â 16,269Â Other long-term liabilities1,136Â 967Â Deferred tax liabilities330Â Â€Â Total liabilities159,278Â 162,753Â Shareholdersâ€™ equityShare capital154,349,947Â 4,362,691Â Additional paid-in capital195,501Â 213,918Â Accumulated other comprehensive loss16(1,474)(4,045)Accumulated deficit(2,215,389)(2,160,163)Total shareholdersâ€™ equity2,318,585Â 2,412,401Â Total liabilities and shareholdersâ€™ equity2,477,863Â 2,575,154Â Commitments and contingencies14The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.2Lightspeed Commerce Inc.Condensed Interim Consolidated Statements of Loss and Comprehensive Loss(Unaudited)For the three and nine months ended December 31, 2024 and 2023(expressed in thousands of US dollars, except per share amounts)Three months ended December 31,Nine months ended December 31,Notes2024202320242023\$\$Revenues4280,134Â 239,695Â 823,407Â 679,054Â Direct cost of revenues5,6164,260Â 138,218Â 485,042Â 393,504Â Gross profit15,874Â 101,477Â 338,365Â 285,550Â Operating expensesGeneral and administrative629,459Â 29,934Â 92,562Â 81,202Â Research and development632,148Â 34,675Â 90,139Â 101,791Â Sales and marketing654,012Â 60,908Â 176,763Â 176,486Â Depreciation of property and equipment,1891Â 1,894Â 5,717Â 4,844Â Depreciation of right-of-use assets1,218Â 1,651Â 3,981Â 5,528Â Foreign exchange loss (gain)2,514Â (979)1,262Â 381Â Acquisition-related compensation157Â Â€Â 209Â 3,105Â Amortization of intangibleÂ assets22,105Â 23,671Â 67,612Â 72,166Â Restructuring146,368Â 1,232Â 16,073Â 1,784Â Total operating expenses149,872Â 152,986Â 454,318Â 447,287Â Operating loss(33,998)(51,509)(115,953)(161,737)Net interest income78,388Â 10,899Â 28,097Â 32,007Â Loss before income taxes(25,610)(40,610)(87,856)(129,730)Income tax expense (recovery)Current867Â 149Â 3,360Â 2,119Â Deferred109Â (530)37Â (425)Total income tax expense (recovery)976Â (381)3,397Â 1,694Â Net loss(26,586)(40,229)(91,253)(131,424)Other comprehensive income (loss)Items that may be reclassified to net lossForeign currency differences on translation of foreign operations(8,511)5,379Â (3,662)1,862Â Change in net unrealized gain (loss) on cash flow hedging instruments, net of tax(3,837)897Â (3,767)858Â Total other comprehensive income (loss)16(12,348)6,276Â (7,429)2,720Â Total comprehensive loss(38,934)(33,953)(98,682)(128,704)Net loss per share Â€ basic and diluted8(0.17)(0.26)(0.59)(0.86)The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.3Lightspeed Commerce Inc.Condensed Interim Consolidated Statement of Cash Flows(Unaudited)For the nine months ended December 31, 2024 and 2023(expressed in thousands of US dollars)Nine months ended December 31, 20242023Cash flows from (used in) operating activities\$\$Net loss(91,253)(131,424)Items not affecting cash and cash equivalentsShare-based acquisition-related compensationÂ€Â 2,953Â Amortization of intangible assets67,612Â 72,166Â Depreciation of property and equipment and lease right-of-use assets9,698Â 10,372Â Deferred income tax expense (recovery)37Â (425)Share-based compensation expense42,983Â 62,503Â Unrealized foreign exchange loss100Â 156Â (Increase)/decrease in operating assets and increase/(decrease) in operating liabilitiesTrade and other receivables18,915Â (3,506)Merchant cash advances(27,080)(26,057)Inventories621Â (5,755)Other assets(11,516)(16,622)Accounts payable and accrued liabilities3,546Â 8,453Â Income taxes payable(955)(5,672)Deferred revenue(7,605)(5,305)Other long-term liabilities170Â 1,039Â Net interest income(28,097)(32,007)Total operating activities(22,824)(69,131)Cash flows from (used in) investing activitiesAdditions to property and equipment(2,840)(4,191)Additions to intangible assets(13,284)(7,720)Acquisition of business, net of cash acquired(6,813)Â€Â Interest income 30,534Â 33,757Â Total investing activities7,597Â 21,846Â Cash flows from (used in) financing activitiesProceeds from exercise of stock options1,829Â 2,127Â Share issuance costsÂ€Â (106)Shares repurchased and cancelled(39,946)Â€Â Payment of lease liabilities and movement in restricted lease deposits(6,333)(5,863)Financing costs(45)(37)Total financing activities(44,495)(3,879)Effect of foreign exchange rate changes on cash and cash equivalents(812)417Â Net decrease in cash and cash equivalents during theÂ period(60,534)(50,747)Cash and cash equivalents Â€ Beginning of period722,102Â 800,154Â Cash and cash equivalents Â€ End of period661,568Â 749,407Â Income taxes paid4,242Â 6,547Â The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.4Lightspeed Commerce Inc.Condensed Interim Consolidated Statements of Changes in Shareholders' Equity(Unaudited)For the nine months ended December 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares)Issued and Outstanding SharesNotesNumber of sharesAmountAdditional paid-in capitalAccumulated other comprehensive income (loss)Accumulated deficitTotal\$\$Balance as at March 31, 2024153,547,616Â 4,362,691Â 213,918Â (4,045)(2,160,163)2,412,401Â Net lossÂ€Â Â€Â Â€Â Â€Â (91,253)(91,253)Exercise of stock options and settlement of share awards2,095,915Â 63,229Â (61,400)Â€Â Â€Â Â€Â 1,829Â Share-based compensationÂ€Â Â€Â Â€Â 42,983Â Â€Â Â€Â 42,983Â Shares repurchased and cancelled15(2,673,926)(75,973)Â€Â Â€Â 36,027Â (39,946)Other comprehensive loss16Â€Â Â€Â Â€Â (7,429)Â€Â Â€Â (7,429)Balance as at December 31, 2024152,969,605Â 4,349,947Â 195,501Â (11,474)(2,215,389)2,318,585Â Balance as at March 31, 2023151,170,305Â 4,298,683Â 198,022Â (3,057)(1,996,199)2,497,449Â Net lossÂ€Â Â€Â Â€Â (131,424)(131,424)Share issuance costsÂ€Â (106)Â€Â Â€Â (106)Exercise of stock options and settlement of share awards1,841,975Â 53,483Â (51,356)Â€Â Â€Â 2,127Â Share-based compensationÂ€Â Â€Â 62,503Â Â€Â Â€Â 62,503Â Share-based acquisition-related compensation225,939Â 2,953Â Â€Â Â€Â 2,953Â Other comprehensive income16Â€Â Â€Â Â€Â 2,720Â Â€Â 2,720Â Balance as at December 31, 2023153,238,219Â 4,355,013Â 209,169Â (337)(2,127,623)2,436,222Â The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.5Lightspeed Commerce Inc.Notes to Condensed Interim Consolidated Financial Statements(Unaudited)DecemberÂ 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares and per share amounts)Â A Â A 1. Organization and nature of operationsLightspeed 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, MontrÃ©al, Quebec, Canada. Lightspeedâ€™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 Companyâ€™s shares are listed on both the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") under the stock symbol "LSPD".Â A Â A 2. Basis of presentation and consolidationThese unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Certain information and disclosures have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read together with the Companyâ€™s audited annual consolidated financial statements and notes thereto for the fiscal year ended MarchÂ 31, 2024. These unaudited condensed interim consolidated financial statements were approved for issue by the Board of Directors of the Company on FebruaryÂ 5, 2025. Seasonality of interim operationsThe operations of the Company are seasonal, and the results of operations for any interim period are not necessarily indicative of operations for the full fiscal year or any future period. Estimates, judgments and assumptionsThe preparation of the unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses during the period. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors and are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates. In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Companyâ€™s accounting policies and the key sources of uncertainty are the same as those applied and described in the Companyâ€™s audited annual consolidated financial statements for the fiscal year ended MarchÂ 31, 2024.Â A Â A 3. Material accounting policiesThe same accounting policies and methods of computation were followed in the preparation of these unaudited condensed interim consolidated financial statements as were followed in the preparation of the most recent audited annual consolidated financial statements. 6Lightspeed Commerce Inc.Notes to Condensed Interim Consolidated Financial Statements(Unaudited)DecemberÂ 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares and per share amounts)New and amended material accounting policies issued but not yet effectiveIn 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 Company also continues to evaluate the impact of IFRS 18, Presentation and Disclosure in Financial Statements on its consolidated financial statements. For all other new and amended material accounting policies issued but not yet effective which have been identified in the most recent audited annual consolidated financial statements, the Company does not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods. **4. Revenues** Three months ended December 31, Nine months ended December 31, 2024 2023 2024 2023 \$\$\$\$ Subscription revenue 88,064 \$ 88,256,914 Transaction-based revenue 181,659 \$ 147,834 \$ 539,464 \$ 406,476 Hardware and other revenue 10,411 \$ 10,979 \$ 27,029 \$ 31,926 Total revenues 280,134 \$ 239,695 \$ 823,407 \$ 679,054 Transaction-based revenue includes \$ 10,246 and \$ 27,293 of revenue from the Company's merchant cash advance program for the three and nine months ended December 31, 2024 (December 31, 2023 " \$ 5,235 and \$ 11,016). **A. Direct cost of revenues** Three months ended December 31, Nine months ended December 31, 2024 2023 \$\$\$\$ Subscription cost of revenue 18,385 \$ 19,774 \$ 53,901 \$ 59,077 Transaction-based cost of revenue 131,439 \$ 103,785 \$ 392,888 \$ 292,229 Hardware and other cost of revenue 14,436 \$ 14,659 \$ 38,253 \$ 42,198 Total direct cost of revenues 164,260 \$ 138,218 \$ 485,042 \$ 393,504 **A. Employee compensation** The total employee compensation comprising salaries and benefits, including share-based compensation and related payroll taxes and restructuring, excluding government assistance and acquisition-related compensation, for the three and nine months ended December 31, 2024, was \$ 86,831 and \$ 256,786 (December 31, 2023 " \$ 92,281 and \$ 265,560). **7. Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements (Unaudited)** December 31, 2024 and 2023 (expressed in thousands of US dollars, except number of shares and per share amounts) The following table outlines share-based compensation and related payroll taxes included in the following expenses: Three months ended December 31, Nine months ended December 31, 2024 2023 \$\$\$\$ Direct cost of revenues 840 \$ 1,772 \$ 2,653 \$ 5,212 General and administrative 4,579 \$ 6,527 \$ 14,413 \$ 19,171 Research and development 5,267 \$ 6,993 \$ 14,189 \$ 22,332 Sales and marketing 2,879 \$ 8,344 \$ 13,511 \$ 18,958 Total share-based compensation and related payroll taxes 13,565 \$ 23,636 \$ 44,766 \$ 65,673 As at December 31, 2024, the Company had 10,341,253 options (1,014,999 of which have vesting dependent on market conditions tied to the Company's future share price performance), 6,098,900 restricted share units and 152,158 deferred share units outstanding (December 31, 2023 - 11,289,461 options, 6,277,224 restricted share units and 110,343 deferred share units outstanding). **A. Finance income and costs** Three months ended December 31, Nine months ended December 31, 2024 2023 \$\$\$\$ Interest income 8,704 \$ 11,220 \$ 29,163 \$ 33,118 Interest expense (316) (321) (1,066) (1,111) Net interest income 8,388 \$ 10,899 \$ 28,097 \$ 32,007 **A. 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 three and nine months ended December 31, 2024 and 2023. All outstanding potentially dilutive shares could potentially dilute loss per share in the future. Three months ended December 31, Nine months ended December 31, 2024 2023 Issued Common Shares 152,969,605 \$ 153,238,219 \$ 152,969,605 \$ 153,238,219 Weighted average number of Common Shares (basic) and diluted 154,283,524 \$ 154,194,745 \$ 154,190,673 \$ 153,401,512 Net loss per share " basic and diluted (\$0.17) (\$0.26) (\$0.59) (\$0.86) The weighted average number of potentially dilutive shares that are not included in the diluted per share calculations because they would be anti-dilutive was 15,461,898 and 15,942,449 stock options and share awards for the three and nine months ended December 31, 2024 2023 (expressed in thousands of US dollars, except number of shares and per share amounts) months ended December 31, 2024 (December 31, 2023 - 16,642,128 and 17,095,219). This weighted average number includes all of the Company's issued and outstanding potentially dilutive shares notwithstanding exercise prices, as applicable. **A. Trade and other receivables** December 31, 2024 March 31, 2024 \$ Trade receivables 31,012 \$ 48,132 Allowance for expected credit losses (6,168) (5,056) Trade receivables, net 24,844 \$ 43,076 Research and development tax credits receivable 7,352 \$ 8,276 Sales tax receivable 8,715 \$ 7,106 Accrued interest and other 2,744 \$ 3,826 Total trade and other receivables 43,655 \$ 62,284 \$ 10. Other current assets December 31, 2024 March 31, 2024 \$ Restricted cash and restricted deposits 1,349 \$ 1,582 Prepaid expenses and deposits 21,557 \$ 14,097 Commission asset 16,194 \$ 14,806 Contract asset and other 16,796 \$ 12,301 Total other current assets 55,896 \$ 42,786 \$ 11. Goodwill Impairment analysis During the three months ended December 31, 2024, the Company's annual impairment test of goodwill was performed for the Company's operating segment (the "Segment") 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 18). 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 9 Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements (Unaudited) December 31, 2024 and 2023 (expressed in thousands of US dollars, except number of shares and per share amounts) 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. 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** Value used in impairment model Break-even value assuming all other key assumptions were held constant Discount Rate (%) 30 % 37 % Terminal Value Multiple 2.01.5 Revenue Growth Rate (%) 25 % 19 % 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. 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. **A. Long-term assets** December 31, 2024 March 31, 2024 \$ Restricted cash 499 \$ 368 Prepaid expenses and deposits 6,116 \$ 3,229 Commission asset 17,915 \$ 18,164 Contract asset 16,688 \$ 21,104 Total other long-term assets 41,218 \$ 42,865 \$ 13. Accounts payable and accrued liabilities December 31, 2024 March 31, 2024 \$ Trade payables 33,773 \$ 33,499 Accrued compensation and benefits 24,423 \$ 23,595 Accrued payroll taxes on share-based compensation 3,630 \$ 3,566 Sales tax payable 4,761 \$ 4,893 Provisions and other 10,617 \$ 3,126 Total accounts payable and accrued liabilities 77,204 \$ 68,679 **10. Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements (Unaudited)** December 31, 2024 and 2023 (expressed in thousands of US dollars, except number of shares and per share amounts) **A. 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 the U.S. district court for the Eastern District of New York (a separate action brought in the Southern District of New York was voluntarily dismissed after a lead plaintiff was appointed in the Eastern District of New York action). The application and action are sought on behalf of purchasers of the Company's Common Shares, and are based upon allegations that the defendants made false and/or misleading statements to the public and seek unspecified damages. On June 27, 2022, the Company filed a motion to dismiss the securities class action brought in the U.S. district court for the Eastern District of New York. Plaintiffs to the securities class action brought in the U.S. district court for the Eastern District of New York filed an opposition to the Company's motion to dismiss, and the Company filed a reply. The Company and management intend to vigorously defend against each of these proceedings. During the nine months ended December 31, 2024, 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 are 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 is in the process of appealing 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 nine months ended December 31, 2024, the Company announced and implemented reorganizations to streamline the Company's operating model and align the organization with its profitable growth strategy. The restructuring 11 Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements (Unaudited) December 31, 2024 and 2023 (expressed in thousands of US dollars, except number of shares and per share amounts) expense consisted primarily of cash severance costs. The majority of the expected charges associated with these reorganizations were incurred during the nine months ended December 31, 2024. Provision for severance Nine months ended December 31, 2024 2023 \$ Balance - Beginning of period 2,591 \$ 1,106 Expensed during the period 16,073 \$ 1,784 Paid during the period (15,188) (2,288) Balance - End of period 3,476 \$ 602 **The provision is included in accounts payable and accrued liabilities in the provisions and other category in note 13. A. Share capital** 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. All references to "Common Shares" refer to Subordinate Voting Shares in the capital of Lightspeed. **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 commencing on April 5, 2024 and ending no later than April 4, 2025. Any Subordinate Voting Share purchased under the NCIB will be cancelled. 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 (the "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 will be made in accordance with certain purchasing parameters. During the nine months

ended December 31, 2024, the Company repurchased and cancelled 2,673,926 Subordinate Voting Shares for a total consideration, including transaction costs, of \$39,946. The Company did not repurchase any of its Subordinate Voting Shares under an NCIB in the nine months ended December 31, 2023.12Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements(Unaudited)December 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares and per share amounts) A A 16. Accumulated other comprehensive income (loss)Foreign currency differences on translation of foreign operationsHedging reserveTotal accumulated other comprehensive income (loss)202420232024202320242023\$\$\$\$\$Balance as at March 31,(4,234)(2,932)189A (125)(4,045)(3,057)Foreign currency differences on translation of foreign operations(3,662)1,862A A A A (3,662)1,862A Change in net unrealized gain (loss) on cash flow hedging instrumentsA A A (3,835)858A (3,835)858A Deferred income tax recoveryA A A A 68A A A A Balance as at December 31,(7,896)(1,070)(3,578)733A (11,474)(337)Foreign exchange forward contractsThe Company designates certain foreign exchange forward contracts as cash flow hedges when all the requirements in IFRS 9, Financial Instruments are met. The Company's currency pair used for cash flow hedges is US dollar / Canadian dollar. The notional principal of the foreign exchange contracts was \$143,450 CAD as at December 31, 2024 (March 31, 2024 - \$95,550 CAD). A A A 17. Related party transactionsKey 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:Three months ended December 31,Nine months ended December 31,2024202320242023\$\$\$\$Short-term employee benefits and termination benefits547A 846A 1,854A 2,444A Share-based payments2,954A 3,432A 9,469A 10,959A Total compensation paid to key management personnel3,501A 4,278A 11,323A 13,403A A A A 18. Financial instrumentsFair valueThe Company measures the fair value 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:13Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements(Unaudited)December 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares and per share amounts)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 accounts payable and accrued liabilities is considered to be equal to their respective carrying values due to their short-term maturities.Recurring fair value measurementsThe 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 nine months ended December 31, 2024 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 \$9,722. 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:Nine months ended December 31,20242023\$\$Balance - Beginning of period74,236A 29,492A Principal issued207,061A 110,001A Amounts collected(197,552)(90,788)Transaction-based revenues from fees collected incorporating fair value movement27,293A 11,016A General & administrative expenses from amounts deemed uncollectible(9,722)(4,172)Balance - End of period101,316A 55,549A 14Lightspeed Commerce Inc. Notes to Condensed Interim Consolidated Financial Statements(Unaudited)December 31, 2024 and 2023(expressed in thousands of US dollars, except number of shares and per share amounts)As at December 31 and March 31, 2024, financial instruments measured at fair value in the unaudited condensed interim consolidated balance sheets were as follows:December 31, 2024March 31, 2024Fair value hierarchyCarrying amountFair value hierarchyCarrying amountFair value\$\$\$\$Assets:Cash and cash equivalentsLevel 1661,568A 661,568A Level 1722,102A 722,102A Restricted cash and restricted depositsLevel 11,848A 1,848A Level 11,950A 1,950A Merchant cash advancesLevel 3101,316A 101,316A Level 374,236A 74,236A Foreign exchange forward contractsLevel 20A 0A Level 2257257Liabilities:Foreign exchange forward contractsLevel 23,578A 3,578A Level 20015 EX-99.2 3 mdfa25q3.htm EX-99.2 DocumentMANAGEMENT's DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2024As 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 December 31, 2024. This MD&A dated February 6, 2025, for the three and nine months ended December 31, 2024, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the notes related thereto for the three and nine months ended December 31, 2024, as well as with our audited annual consolidated financial statements and the notes related thereto for the year ended March 31, 2024. The financial information presented in this MD&A is derived from the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2024, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). 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, 2024, 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 InformationThis 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 for retail in North America and hospitality in Europe and our strategies for 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 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 (1) 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 maintain and expand geographic scope; 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 in North America and hospitality in Europe and our strategies for 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 shareholder 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 future 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 potential impacts of tariffs, other trade conditions or protective government actions); environmental risks and the impact of certain natural disasters on our business and our customers (including wildfires in California); 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 16, 2024, 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. (2) 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 in North America and hospitality 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, 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. We also continue to advance our strategy of expanding our presence within verticals, including 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. 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 \$181.7 million for the three months ended December 31, 2024, an increase of 23% from the \$147.8 million in transaction-based revenue for the three months ended December 31, 2023. This was primarily driven by increased customer adoption of our payments solutions due to our unified payments initiative resulting in an increase of 34% in GPV1 compared to the three months ended December 31, 2023. 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 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. 1 Refer to the section entitled "Key Performance Indicators". (3) Excluding the Ecwid eCommerce standalone product, our monthly ARPU1 was approximately \$533 as at December 31, 2024 as compared to approximately \$447 as at December 31, 2023. 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 merchants in North America and hospitality merchants 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 the three months ended December 31, 2024, GPV was \$8.8 billion compared to \$6.6 billion for the three months ended December 31, 2023, representing growth of 34%. For the three months ended December 31, 2024, our cloud-based software-as-a-service platform processed GTV1 of \$23.5 billion, which represents growth of 2% relative to \$23.1 billion of GTV processed during the three months ended December 31, 2023. As at December 31, 2024, we had Customer Locations in over 100 countries. Excluding Customer Locations attributable to the Ecwid eCommerce standalone product, our Customer Locations as at December 31, 2024 are located approximately 50% in North America and 50% across the rest of the world and the split of these Customer Locations between retail and hospitality represents approximately 63% and 37% of our total Customer Locations, respectively. 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 \$280.1 million and \$823.4 million for the three and nine months ended December 31, 2024 from \$239.7 million and \$679.1 million for the three and nine months ended December 31, 2023, representing year-over-year growth of 17% and 21%, respectively. For the three and nine months ended December 31, 2024, subscription revenue accounted for 31% of our total revenues (34% and 35%, respectively, for the three and nine months ended December 31, 2023), and transaction-based revenue accounted for 65% and 66% of our total revenues (62% and 60%, respectively, for the three and nine months ended December 31, 2023). 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 the three and nine months ended December 31, 2024, this revenue accounted for 4% and 3% of our total revenue (5% for the three and nine months ended December 31, 2023). We plan to continue making deliberate investments to drive future growth including in NuORDER by Lightspeed. We believe that our future success depends on a number of factors, including our ability to expand our market share (particularly for retail in North America and hospitality in Europe), execute our pricing and packaging initiatives, 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 and to integrate value-enhancing acquisitions. 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. (4) 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 the three and nine months ended December 31, 2024, we incurred an operating loss of \$34.0 million and \$116.0 million, respectively, compared to an operating loss of \$51.5 million and \$161.7 million, respectively, for the three and nine months ended December 31, 2023. Our cash flows used in operating activities for the nine months ended December 31, 2024 were \$22.8 million compared to \$69.1 million for the nine months ended December 31, 2023, and our Adjusted Free Cash Flow used2 for the nine months ended December 31, 2024 was \$1.9 million compared to \$48.2 million for the nine months ended December 31, 2023. 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 1.9 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 Montrealâ™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, 50% of the independent members on our board of directors are women. Furthermore, 43% 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 employeesâ™ 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 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 the nine months ended December 31, 2024 was \$26.1 billion up 48% from \$17.6 billion in the nine months ended December 31, 2023. 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. **2** Refer to the section entitled "Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios". (5) 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 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 19% to approximately \$533 per Customer Location as at December 31, 2024 compared to approximately \$447 per Customer Location as at December 31, 2023. 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. **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 December 31, 2024, GPV was \$8.8 billion compared to \$6.6 billion for the three months ended December 31, 2023, representing growth of 34%. For the nine months ended December 31, 2024, GPV was \$26.1 billion compared to \$17.6 billion for the nine months ended December 31, 2023, representing growth of 48%. 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 December 31, 2024, GTV was \$23.5 billion compared to \$23.1 billion (6) for the three months ended December 31, 2023, representing growth of 2%. For the nine months ended December 31, 2024, GTV was \$70.6 billion compared to \$70.0 billion for the nine months ended December 31, 2023. 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 managementâ™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 Companyâ™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 December 31, Nine months ended December 31, (In thousands of US dollars) 2024 2023 2024 2023 \$Net loss (26,586) (40,229) (91,253) (131,424) Share-based compensation and related payroll taxes (1) 13,565Â 23,636Â 44,766Â 65,673Â Depreciation and amortization (2) 25,214Â 27,216Â 77,310Â 82,538Â Foreign exchange loss (gain) (3) 2,514Â (979) 1,262Â 381Â Net interest income (2) (8,388) (10,899) (28,097) (32,007) Acquisition-related compensation (4) 157Â â€" 209Â 3,105Â Transaction-related costs (5) 2,717Â (625) 5,129Â 442Â Restructuring (6) 6,368Â 1,232Â 16,073Â 1,784Â Litigation provisions (7) 38Â 4,672Â 11,957Â 4,688Â Income tax expense (recovery) (976Â) (381) 3,397Â 1,694Â Adjusted EBITDA 16,575Â 3,643Â 40,753Â (3,126) (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 and nine months ended December 31, 2024, share-based compensation expense was \$13,326 and \$42,983, respectively (December 2023 - expense of \$21,399 and \$62,503), and related payroll taxes were an expense of \$239 and \$1,783, respectively (December 2023 - expense of \$2,237 and \$3,170). 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). (7) (2) In connection with the accounting standard IFRS 16 - Leases, for the three months ended December 31, 2024, net loss includes depreciation of \$1,218 related to right-of-use assets, interest expense of \$315 on lease liabilities, and excludes an amount of \$1,994 relating to rent expense (\$1,651, \$315, and \$1,851, respectively, for the three months ended December 31, 2023). For the nine months ended December 31, 2024, net loss includes depreciation of \$3,981 related to right-of-use assets, interest expense of \$1,026 on lease liabilities, and excludes an amount of \$6,381 relating to rent expense (\$5,528, \$897 and \$5,970, respectively, for the nine months ended December 31, 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 nine months ended December 31, 2024, 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 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). 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 December 31, Nine months ended December 31, (In thousands of US dollars, except number of shares and per share amounts) 2024 2023 2022 2021 Net loss (26,586) (40,229) (91,253) (131,424) Share-based compensation and related payroll taxes (1) 13,565 23,636 44,766 65,673 Amortization of intangible assets (2) 22,105 23,671 67,612 72,166 Acquisition-related compensation (2) 157 209 3,105 Transaction-related costs (3) 2,717 (625) 5,129 442 Restructuring (4) 6,368 1,232 16,073 1,784 Litigation provisions (5) 38 4,672 11,957 4,688 Deferred income tax expense (recovery) (109) (530) 37 (425) Adjusted Income 18,473 11,827 54,530 16,009 Weighted average number of Common Shares " basic and diluted (6) 154,283 5244 154,194 7454 154,190,673 153,401,512 Net loss per share " basic and diluted (0.17) (0.26) (0.59) (0.86) Adjusted Income per Share " Basic and Diluted 0.12A 0.080.35A 0.10A (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 and nine months ended December 31, 2024, share-based compensation expense was \$13,326 and \$42,983, respectively (December 2023 - expense of \$21,399 and \$62,503), and related payroll taxes were an expense of \$239 and \$1,783, respectively (December 2023 - expense of \$2,237 and \$3,170). These amounts are included in direct cost of revenues, general and administrative expenses, research and (8) 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 nine months ended December 31, 2024, 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 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) For the three and nine months ended December 31, 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. 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 December 31, Nine months ended December 31, (In thousands of US dollars) 2024 2023 2022 2021 Cash flows from (used in) operating activities (2) 720A (18,195) (22,824) (69,131) Capitalized internal development costs (1) (5,181) (2,579) (13,284) (7,720) Additions to property and equipment (2) (938) (2,282) (2,840) (4,191) Merchant cash advances, net (3) 2,888A 8,291A 37,080A 32,853A Adjusted Free Cash Flow (511) (14,765) (1,868) (48,189) (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 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 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 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, in respect of merchant cash advances. Outlook A discussion of management's expectations as to the Company's outlook for the fiscal year ending MarchA 31, 2025 is contained in the Company's press release dated FebruaryA 6, 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. (9) 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 in North American retail and European hospitality markets. We believe that there is significant potential to increase penetration in the North American retail and European hospitality markets 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 merchants in North America and hospitality merchants 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 increasingly 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 continued adoption of our payment processing solutions, which are the largest drivers of revenue growth for the Company. As an increasing proportion of our revenue is generated from our payments solutions, we believe that while our total revenues may grow, our gross margins will decrease over time due to 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 integrating Lightspeed B2B to enable inventory ordering straight from our merchants' POS, and to provide brands with data insights on consumers and trends to optimize manufacturing and distribution. We are also (10) 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, including claims for liability under applicable laws. The use of AI applications may result in our business, products or services being subject to regulatory investigations, proceedings or enforcement actions, which could result in significant costs, damage to our reputation and brand, and legal expenses.

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. 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 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 potential 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. (11) 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 headcount will continue to increase as a result of these investments. To complement this strategy, we invest in outbound-led lead generation, particularly in our European and North American markets and for complex merchants and restaurateurs with high annual GTV. Our outbound-led lead generation involves the use of field sales teams. 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. 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 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. 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 an increasing proportion of our overall revenue mix over time as a result of the continued customer adoption of our payments solutions, and we expect seasonality of our quarterly results to continue to increase. We expect our overall revenues to continue to become increasingly 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. 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 (12) 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 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 given our experience and scale. However, such acquisitions and investments 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 and investments are ultimately completed. Market and Shareholder Reaction to 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 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. Key Components of Results of Operations See Management's Discussion and Analysis in our Annual Report on Form 40-F for the year ended March 31, 2024 for details on the key components of results of operations. (13) Results of Operations The following table outlines our unaudited condensed interim consolidated statements of loss for the three and nine months ended December 31, 2024 and 2023: Three months ended December 31, Nine months ended December 31, (In thousands of US dollars, except per share amounts) 2024 2023 2024 2023 \$\$\$\$ Revenues Subscription 88,064 80,882 256,914 240,652 Transaction-based 181,659 147,834 539,464 406,476 Hardware and other 10,411 10,979 27,029 31,926 Total revenues 280,134 239,695 823,407 679,054 Direct cost of revenues Subscription 18,385 19,774 53,901 59,077 Transaction-based 131,439 103,785 392,888 292,229 Hardware and other 14,436 14,659 38,253 42,198 Total direct cost of revenues 164,260 138,218 485,042 393,504 Gross profit 115,874 101,477 338,365 285,550 Operating expenses General and administrative 84,459 29,934 92,562 81,202 Research and development 32,148 34,675 90,139 101,791 Sales and marketing 54,012 60,908 176,763 176,486 Depreciation of property and equipment 1,891 1,894 5,717 4,844 Depreciation of right-of-use assets 1,218 1,651 3,981 5,528 Foreign exchange loss (gain) 2,514 (979) 1,262 381 Acquisition-related compensation 157 209 3,105 Amortization of intangible assets 22,105 23,671 67,612 72,166 Restructuring 6,368 1,232 16,073 1,784 Total operating expenses 149,872 152,986 454,318 447,287 Operating loss (33,998) (51,509) (115,953) (161,737) Net interest income 8,388 10,899 28,097 32,007 Loss before income taxes (25,610) (40,610) (87,856) (129,730) Income tax expense (recovery) Current 8674 1494 3,360 2,119 Deferred 1094 (530) 374 (425) Total income tax expense (recovery) 9764 (381) 3,397 1,694 Net loss (26,586) (40,229) (91,253) (131,424) Net loss per share basic and diluted (0.17) (0.26) (0.59) (0.86) (14) 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 and nine months ended December 31, 2024 and 2023: Three months ended December 31, Nine months ended December 31, (In thousands of US dollars) 2024 2023 2024 2023 \$\$\$\$ Direct cost of revenues 840 1,772 2,653 5,212 General and administrative 4,579 6,527 14,413 19,171 Research and development 5,267 6,993 14,189 22,332 Sales and marketing 2,879 8,344 13,511 18,958 Total share-based compensation and related payroll taxes (1) 13,565 23,636 44,766 65,673 (1) For the three and nine months ended December 31, 2024, the share-based compensation expense was \$13,326 and \$42,983, respectively (December 2023 - expense of \$21,399 and \$62,503), and the related payroll taxes were an expense of \$239 and \$1,783, respectively (December 2023 - expense of \$2,237 and \$3,170). The decrease in share-based compensation and related payroll taxes in the three and nine months ended December 31, 2024 was primarily driven by a reduction in the quantity and fair value of stock options and awards issued throughout the past several quarters, and due to awards forfeited throughout the past several quarters, including awards forfeited during the nine months ended December 31, 2024 due to the restructurings. Results of Operations for the Three and Nine Months Ended December 31, 2024 and 2023 Revenues Three months ended December 31, Nine months ended December 31, (In thousands of US dollars, except percentages) 2024 2023 Change 2024/2023 Change Change % \$ \$ \$ % % % Revenues Subscription 88,064 80,882 7,182 8.3% 2024/2023 Change Change % \$ \$ \$ % % %

revenue of \$7.4 million, a decrease in income tax payable of \$1.0 million, a decrease in lease liabilities of \$0.8 million and a decrease in sales tax payable of \$0.1 million, offset by an increase in provisions and other payables of \$7.5 million which includes an increase in foreign exchange forward contracts liability of \$3.6 million, an increase in trade payables of \$0.3 million, an increase in accrued payroll taxes on share-based compensation of \$0.1 million and an increase in accrued compensation and benefits of \$0.8 million. The drivers of the decrease in long-term liabilities were a decrease in lease liabilities of \$3.3 million and a decrease in deferred revenue of \$0.1 million offset by an increase in other long-term liabilities of \$0.2 million and an increase in deferred tax liabilities of \$0.3 million.

(23)Quarterly Results of OperationsThe following table sets forth selected quarterly consolidated statements of operations data for each of the eight quarters ended December 31, 2024. 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)Mar. 31, 2023Jun. 30, 2023Sept. 30, 2023Dec. 31, 2023Mar. 31, 2024Jun. 30, 2024Sept. 30, 2024Dec. 31,

2024\$\$\$\$\$Revenues184,228A 209,086A 230,273A 239,695A 230,216A 266,091A 277,182A 280,134A Direct cost of revenues97,267A 121,181A 134,105A 138,218A 130,516A 157,883A 162,899A 164,260A Gross

profit86,961A 87,905A 96,168A 101,477A 99,700A 108,208A 114,283A 115,874A Operating expensesGeneral and administrative22,139A 24,944A 26,324A 29,934A 22,540A 31,856A 31,247A 29,459A Research and development30,805A 34,035A 33,081A 34,675A 27,625A 27,471A 30,520A 32,148A Sales and marketing56,884A 55,288A 60,290A 60,908A 57,804A 57,070A 65,681A 54,012A Depreciation of property and equipment1,735A 1,457A 1,493A 1,894A 1,790A 1,973A 1,853A 1,891A Depreciation of right-of-use

assets2,025A 2,230A 1,647A 1,651A 2,418A 1,394A 1,369A 1,218A Foreign exchange loss (gain)297A 671A 689A (979)501A 85A (1,337)2,514A Acquisition-related compensations5,746A 2,545A 560A â€"A â€"A â€"A 52A 157A Amortization of intangible assets24,620A 24,505A 23,990A 23,671A 22,882A 22,895A 22,612A 22,105A Restructuring25,549A 472A 80A 1,232A 5,422A 9,541A 164A 6,368A Total operating expenses169,800A 146,147A 148,154A 152,986A 140,982A 152,285A 152,161A 149,872A Operating loss(82,839)(58,242)(51,986)(51,509)(41,282)(44,077)(37,878)(33,998)Net interest income9,654A 10,362A 10,746A 10,899A 10,524A 10,166A 9,543A 8,388A Loss before income taxes(73,185)(47,880)(41,240)(40,610)(30,758)(33,911)(28,335)(25,610)Income tax expense (recovery)Current1,651A 1,215A 755A 149A 1,680A 801A 1,692A 867A Deferred(368)(392)497A (530)102A 300A (372)109A Total income tax expense (recovery)1,283A 823A 1,252A (381)1,782A 1,101A 1,320A 976A Net loss(74,468)(48,703)(42,492)(40,229)(32,540)(35,012)(29,655)(26,586)Net loss per share â€" basic and diluted(0.49)(0.32)(0.28)(0.26)(0.21)(0.23)(0.19)(0.17)RevenuesOur total quarterly revenue increased successively for all periods presented (except for the three months ended March 31, 2024) 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 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 compared to the three months ended December 31, 2023. (24)Direct Cost of RevenuesOur total quarterly direct cost of revenues increased successively for all periods presented except for the three months ended March 31, 2024. 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 is aligned with the decrease in revenues within the periods due to the impact of seasonality. Gross ProfitOur total quarterly gross profit increased successively in all periods (except the three months ended March 31, 2024) 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 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, the average amount of gross profit generated from each customer has generally continued to increase, improving our unit economics. We expect this gross margin trend to continue in future periods, and to be partially offset by the increase in revenue from our merchant cash program, which revenue stream carries a significantly higher margin.Operating ExpensesOur total quarterly operating expenses decreased from the three months ended March 31, 2023 to the three months ended June 30, 2023. The three months ended March 31, 2023 had a decrease in share-based compensation and salary costs as a result of the restructuring we executed during that quarter, offset by severance and other restructuring charges, which contributed to a decrease in operating expenses in the three months ended June 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. 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 ResourcesOverviewThe 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 (25)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 December 31, 2024 was \$734.2 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 ProspectusIn 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 â€œBase Prospectusâ€) 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 â€œRegistration Statementâ€). 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 BidOur board of directors and the Toronto Stock Exchange (â€œTSXâ€) approved a normal course issuer bid (â€œNCIBâ€) 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 commencing on April 5, 2024 and ending no later than April 4, 2025. Any subordinate voting share purchased under the NCIB will be cancelled. Purchases will be made by means of open market transactions on both the TSX and the New York Stock Exchange (the â€œNYSEâ€), or alternative trading systems, if eligible, and will conform to their regulations. 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 (â€œASPPâ€) 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. Pursuant to the ASPP, before entering into a blackout period, we may, but are not required to, instruct the designated broker to make purchases under the NCIB in accordance with certain purchasing parameters. Such purchases will be made by the designated broker based on such purchasing parameters, without further instructions by us, in compliance with the rules of the TSX, applicable securities laws and the terms of the ASPP. 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. During the nine months ended December 31, 2024, we repurchased and cancelled 2,673,926 subordinate voting shares for a total consideration, including transaction costs, of \$39.9 million. We did not repurchase any of our subordinate voting shares under an NCIB in the nine months ended December 31, 2023. 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. (26)Cash FlowsThe following table presents cash and cash equivalents as at December 31, 2024 and 2023, and cash flows from or used in operating, investing, and financing activities for the three and nine months ended December 31, 2024 and 2023:Three months ended December 31,Nine months ended December 31,(In thousands of US dollars)2024202320242023\$\$\$\$Cash and cash equivalents661,568A 749,407A 661,568A 749,407A Cash flows from (used in):Operating activities2,720A (18,195)(22,824)(69,131)Investing activities3,009A 6,850A 7,597A 21,846A Financing activities(1,768)(1,469)(44,495)(3,879)Effect of foreign exchange on cash and cash equivalents(1,411)730A (812)417A Net increase (decrease) in cash and cash equivalents2,550A (12,084)(60,534)(50,747)Cash Flows from (used in)Operating ActivitiesCash flows from operating activities for the three months ended December 31, 2024 were \$2.7 million compared to cash flows used in

operating activities of \$18.2 million for the three months ended December 31, 2023. For the three months ended December 31, 2024, Adjusted Free Cash Flow3 used was \$0.5 million compared to \$14.8 million for the three months ended December 31, 2023. This \$14.3 million improvement is mainly due to the improved operating loss from increased revenue and includes working capital movements such as timing differences related to current receivables and payables. Cash flows used in operating activities for the nine months ended December 31, 2024 were \$22.8 million compared to \$69.1 million for the nine months ended December 31, 2023. For the nine months ended December 31, 2024, Adjusted Free Cash Flow3 used was \$1.9 million compared to \$48.2 million for the nine months ended December 31, 2023. This \$46.3 million improvement is mainly due to the improved operating loss from increased revenue and includes working capital movements such as timing differences related to current receivables and payables. The decrease was offset by an increase in cash paid for restructuring of \$12.9 million. Cash Flows from Investing Activities Cash flows from investing activities for the three months ended December 31, 2024 were \$3.0 million compared to \$6.9 million for the three months ended December 31, 2023. The decrease in cash flows from investing activities was primarily due to a decrease of \$2.5 million in interest income received and an increase of \$2.6 million in cash outflows associated with capitalized internal development costs, offset by a decrease of \$1.3 million in cash outflows associated with additions to property and equipment. Cash flows from investing activities for the nine months ended December 31, 2024 were \$7.6 million compared to \$21.8 million for the nine months ended December 31, 2023. The decrease in cash flows from investing activities was primarily due to a decrease of \$3.2 million in interest income received, an increase of \$5.6 million in cash outflows associated with capitalized internal development costs and a cash outflow of \$6.8 million related to a business acquisition, offset by a decrease of \$1.4 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 December 31, 2024 were \$1.8 million compared to \$1.5 million in the three months ended December 31, 2023. The increase in cash flows used in financing activities was mainly due to a decrease of \$0.3 million in cash inflows associated with the exercise of stock options under our equity incentive plans.³ Refer to the section entitled "Non-IFRS Measures and Ratios and Reconciliation of Non-IFRS Measures and Ratios"⁽²⁷⁾ Cash flows used in financing activities for the nine months ended December 31, 2024 were \$44.5 million compared to \$3.9 million in the nine months ended December 31, 2023. The increase in cash flows used in financing activities was mainly due to a cash outflow of \$39.9 million from shares repurchased and cancelled, an increase of \$0.5 million in cash outflows associated with lease liabilities and movement in restricted lease deposits and a decrease of \$0.3 million in cash inflows associated with the exercise of stock options under our equity incentive plans, offset by an increase of \$0.1 million from lower share issuance costs. 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. 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" in our annual MD&A for the fiscal year ended March 31, 2024. 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 unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2024. 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 the nine months ended December 31, 2024 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 \$9.7 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 the nine months ended December 31, 2024 includes \$27.3 million from merchant cash advances related to fees collected incorporating fair value movement (\$11.0 million for the nine months ended December 31, 2023) and general & administrative expenses for the nine months ended December 31, 2024 include \$9.7 million from merchant cash advances deemed uncollectible, which includes write offs (\$4.2 million for the nine months ended December 31, 2023). Credit and Concentration Risk Generally, the carrying amount of our financial assets in our consolidated balance sheets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit 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 require personal guarantee of performance from our merchants. 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 the nine months ended December 31, 2024, 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.⁽²⁸⁾ 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 \$661.6 million of cash and cash equivalents as well as a credit facility available as at December 31, 2024, 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, the New Zealand dollar and the Swiss Franc. 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 \$143.5 million CAD as at December 31, 2024 (March 31, 2024 - \$95.6 million CAD). 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 charges) are payroll taxes associated with share-based compensation that we are subject to in various countries in which we operate. Social charges 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 charges, and a decrease in share price will result in a decrease in the accrual for social charges, 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 (29) 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 allocation of goodwill, 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. If the carrying value of our Segment is below our recoverable amount in the future, we may have to recognize 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. During the three months ended December 31, 2024, an annual impairment test of goodwill was performed on our operating segment which is the level at which management monitors goodwill. The annual impairment test of goodwill as at December 31, 2024 was performed using the Company's fair value less costs of disposal method. This test demonstrated no impairment of goodwill as at December 31, 2024. 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 11 of the unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2024. 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 (30)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. 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 IASB or other standards-setting bodies, and are adopted as of the specified effective date. New and Amended Material Accounting Policies Issued but not yet Effective 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. We also continue to evaluate the impact of IFRS 18, Presentation and Disclosure in Financial Statements on our consolidated financial statements. For all other new and amended material accounting policies issued but not yet effective which have been identified in the most recent audited annual consolidated financial statements, we do not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods. Outstanding Share Information Lightspeed is a publicly traded company listed under the symbol "LSPD" on both the TSX and the NYSE. 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 152,974,435 subordinate voting shares and no preferred shares were issued and outstanding as of February 4, 2025. As of February 4, 2025, there were 148,137 options outstanding under the Company's Amended and Restated 2012 Stock Option Plan, as amended (of which 148,137 were vested as of such date), and 10,179,509 options outstanding under the Company's Third Amended and Restated Omnibus Incentive Plan, as amended (the "Omnibus Plan") (of which 4,882,975 were vested as of such date). Each such option is or will become exercisable for one subordinate voting share. As of February 4, 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 February 4, 2025, there were 160,824 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 February 4, 2025, there were 6,067,085 RSUs outstanding under the Company's Omnibus Plan (of which 1,549,436 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. (31) Disclosure Controls and Procedures and Internal Control Over Financial Reporting Disclosure Controls and Procedures Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with securities regulatory authorities 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 and the Chief Financial Officer, along with management, have evaluated and concluded that the Company's disclosure controls and procedures as at December 31, 2024 were effective. Internal Controls over Financial Reporting The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal controls over financial reporting. The Company's internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have been advised that the control framework that the Chief Executive Officer and the Chief Financial Officer used to design the Company's internal controls over financial reporting is recognized by the Committee of Sponsoring Organizations of the Treadway Commission. The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to the Company's internal controls over financial reporting during the period covered in this quarterly report 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. 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. (32) EX-99.3 4 cef52-109xq3fy25xeng.htm EX-99.3 Document FORM 52-109F2 CERTIFICATION OF INTERIM FILINGS FULL CERTIFICATEI, Dax Dasilva, in the capacity of chief executive officer of Lightspeed Commerce Inc. (the "issuer"), certify the following: 1. Review: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the issuer for the interim period ended December 31, 2024. 2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings. 3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings. 4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer. 5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings(a)designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that(i)material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and(ii)information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and(b)designed ICFR, or caused it 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 the issuer's GAAP. 5.1 Control framework: The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control â€" Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. 5.2N/A5.3N/A6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR. Date: February 6, 2025 (signed) Dax Dasilva Name: Dax Dasilva Title: Chief Executive Officer EX-99.4 5 cfo52-109xq3fy25xeng.htm EX-99.4 Document FORM 52-109F2 CERTIFICATION OF INTERIM FILINGS FULL CERTIFICATEI, Asha (Hotchandani) Bakshani, in the capacity of chief financial officer of Lightspeed Commerce Inc. (the "issuer"), certify the following: 1. Review: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the issuer for the interim period ended December 31, 2024. 2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings. 3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings. 4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer. 5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings(a)designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that(i)material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and(ii)information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and(b)designed ICFR, or caused it 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 the issuer's GAAP. 5.1 Control framework: The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control â€" Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. 5.2N/A5.3N/A6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR. Date: February 6, 2025 (signed) Asha (Hotchandani) Bakshani Name: Asha (Hotchandani) Bakshani Title: Chief Financial Officer

