



Lightspeed Commerce (TSX / NYSE: LSPD)

All prices are in USD unless otherwise noted / All market data as of May 7th, 2026

SELL

28% Downside

12M Target: US\$7.11

Last close: US\$9.32

Primary research supports SELL recommendation



Primary research

13

Expert calls

188

Customer interviews

21,611

Datapoints scraped

6 Competitor employees

136 Consumers

15,725 Glassdoor reviews

4 Former LSPD employees

31 Retailers

5,852 Better Business Bureau reviews

3 Senior engineers

21 Restaurants

34 PoS reviews

A unique view on LSPD that is differentiated and better informed than the market



We believe LSPD presents a compelling SELL opportunity

- 1** Track record of **value destructive capital allocation**
- 2** **Top-line is challenged** as the industry matures
- 3** Growth strategy targets the **wrong customer**

\$7.11 12-Month Target Price | SELL at 28% Downside



Sample transaction with a LSPD PoS

PoS software

1

Cashier keys order into PoS handheld or terminal



Customer pays

2

Customer pays on terminal connected to LSPD software



LSPD payments

3

LSPD collects a small fee; other players further process



In the background, merchants use a variety of LSPD software modules to run their business

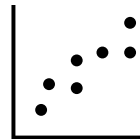
Inventory tracking



Kitchen display



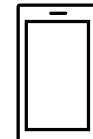
Data analytics



Workforce staffing



Online ordering



Source: Company Filings

Business overview | Revenue by segment



Subscription-based revenues

Sale of software modules

Retail



Hospitality



Additional platforms

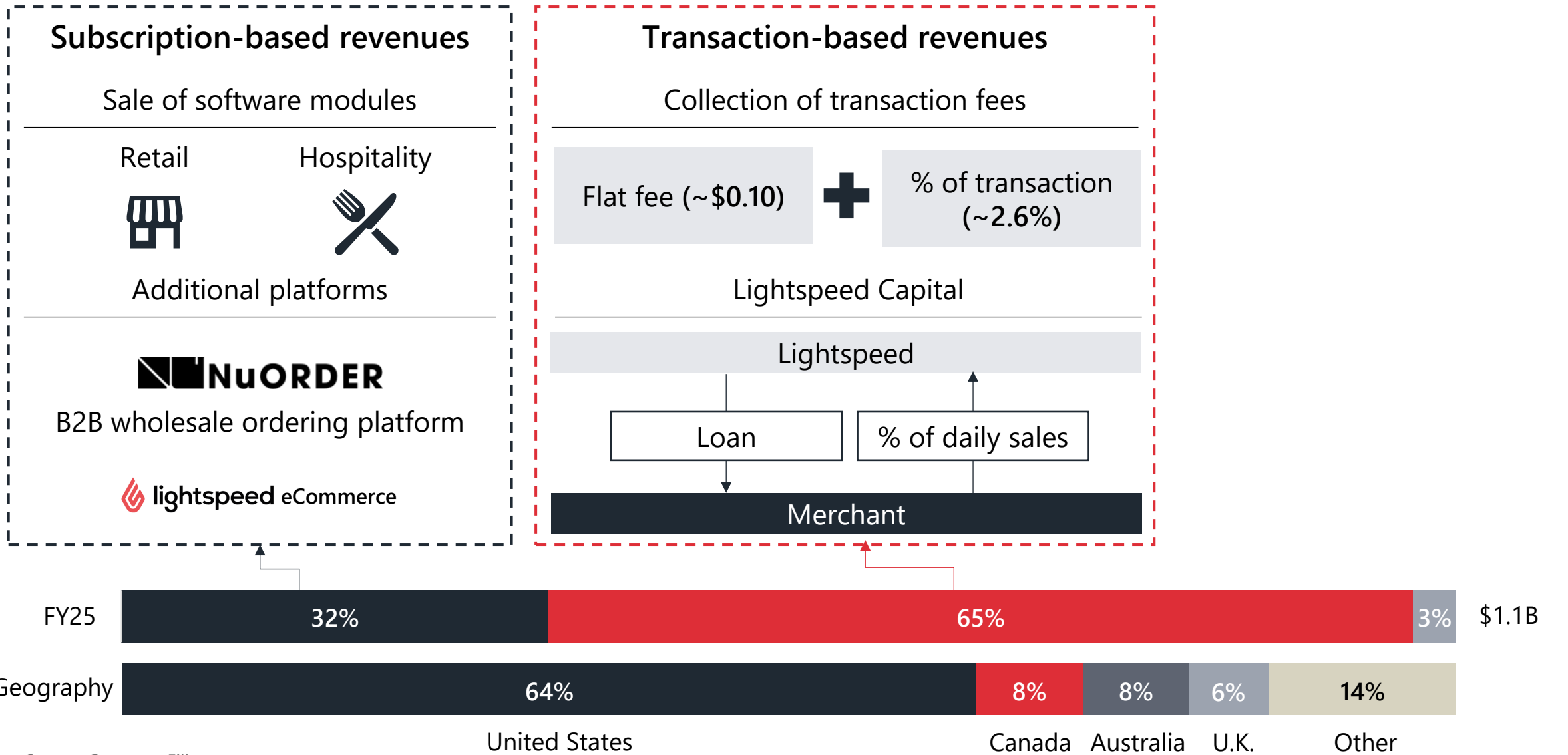


B2B wholesale ordering platform



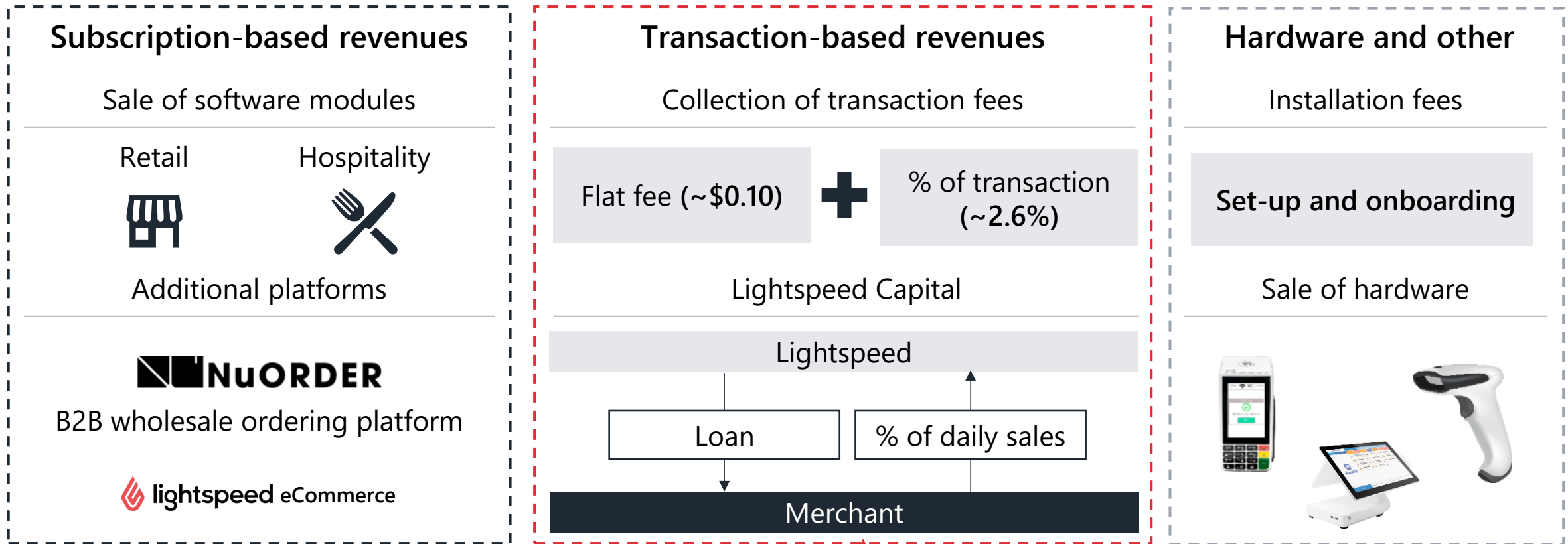
Source: Company Filings

Business overview | Revenue by segment



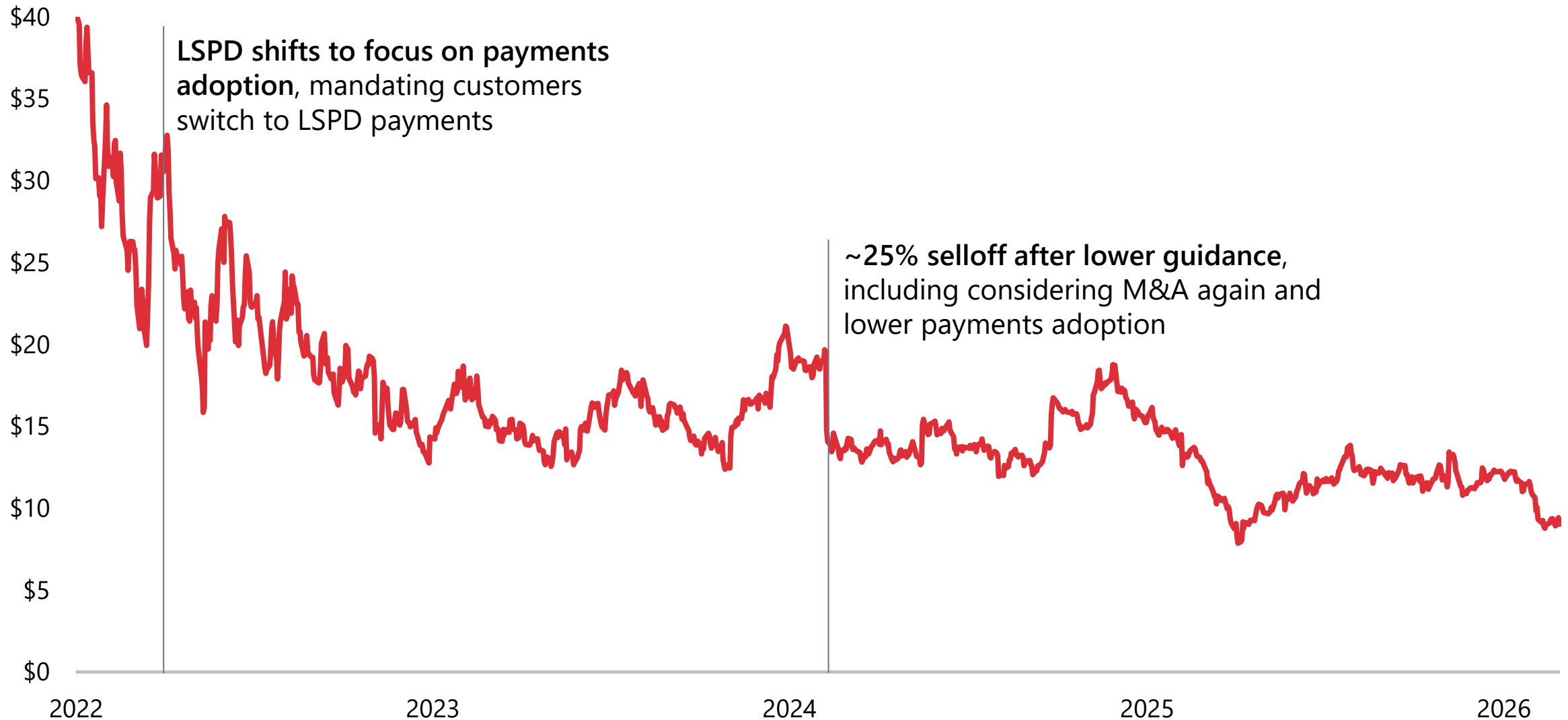
Source: Company Filings

Business overview | Revenue by segment



Source: Company Filings

Historical trading | Share price from sell-off to today



Source: Company Filings, Capital IQ

Industry overview | Industry 'Rule of' (revenue growth (%) + EBITDA margin (%))



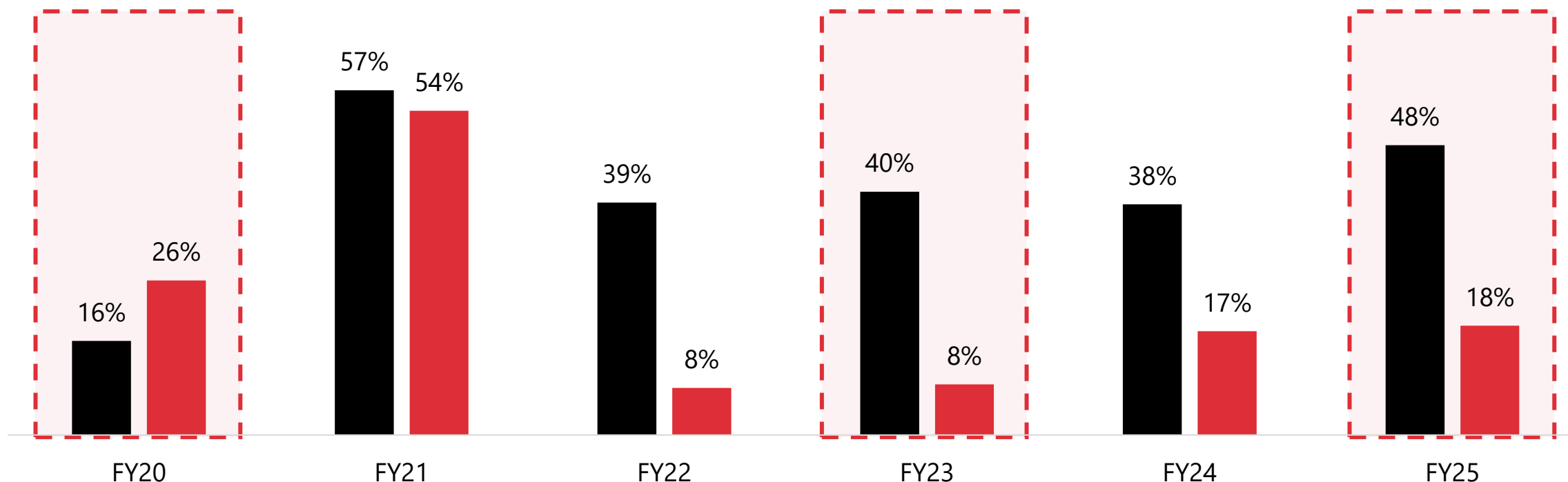
Rule of x = YoY revenue growth rate (%) + EBITDA margin (%)
Assesses the growth and profitability trade-off

■ Peer rule of x ■ LSPD rule of x

Toast begins payments²
LSPD focuses on M&A

Industry begins outbound sales,
LSPD begins payments

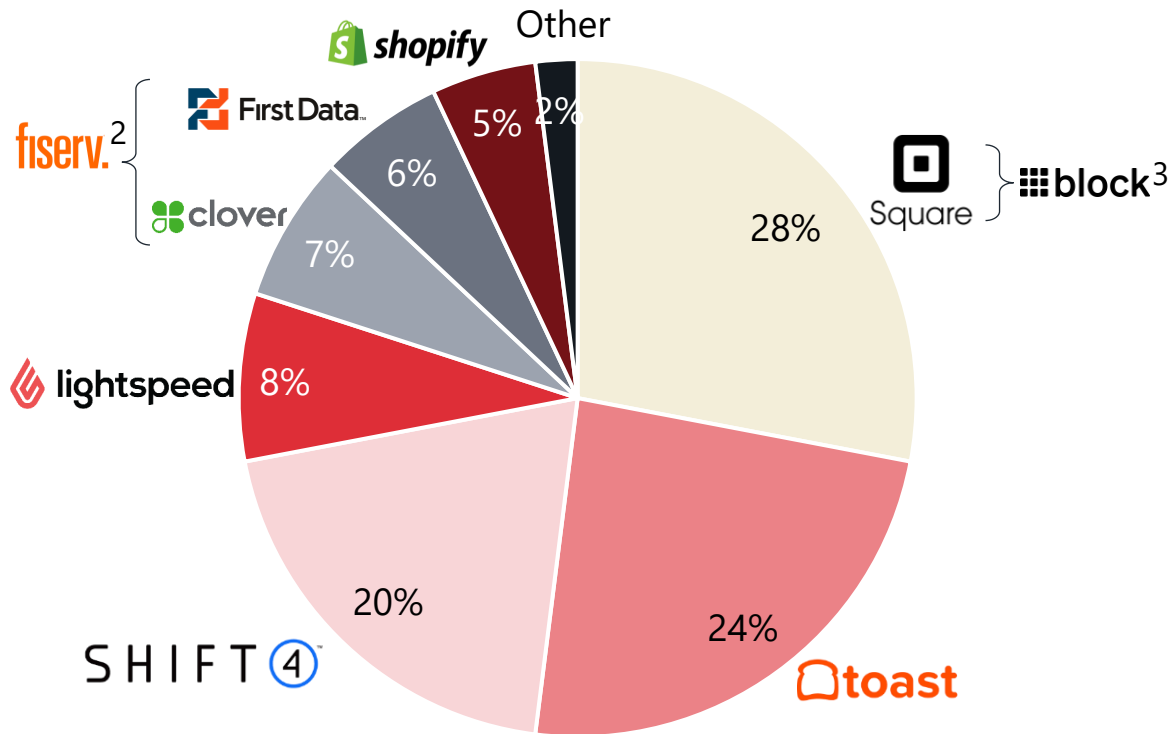
LSPD begins
outbound sales



Sources: Company Financials, Competitor Financials. | 1. Peer set includes Toast, Shift4, Fiserv, and Block. 2. Non-Toast are payments native.



North American cloud PoS market share¹



Key features for customers



“Merchants want to operate their businesses out of one place, which is where consolidation of payments and other software's come into play”
 - Expert E, Consultant with 22+ years of experience

Sources: CoinLaw, Team Analysis | 1. Based on number of customers | 2. FirstData and Clover are owned by Fiserv | 3. Square is owned by Block

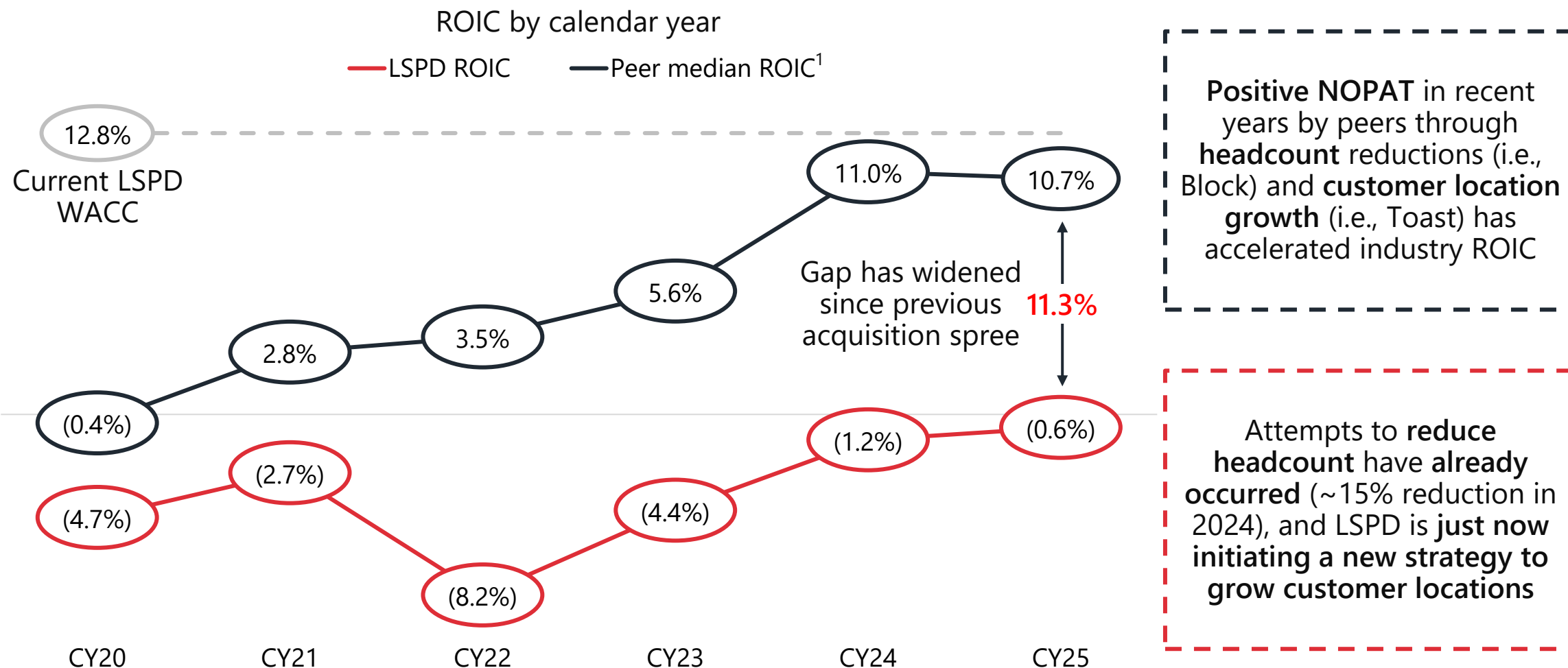


1 | Track record of value destructive capital allocation

Thesis 1 | Foundational poor capital allocation is reflected in negative ROIC



LSPD negative return on invested capital ("ROIC") lags peers



Sources: Company Financials, Competitor Financials | 1. Peer set includes Toast, Fiserv, Shift4, and Block

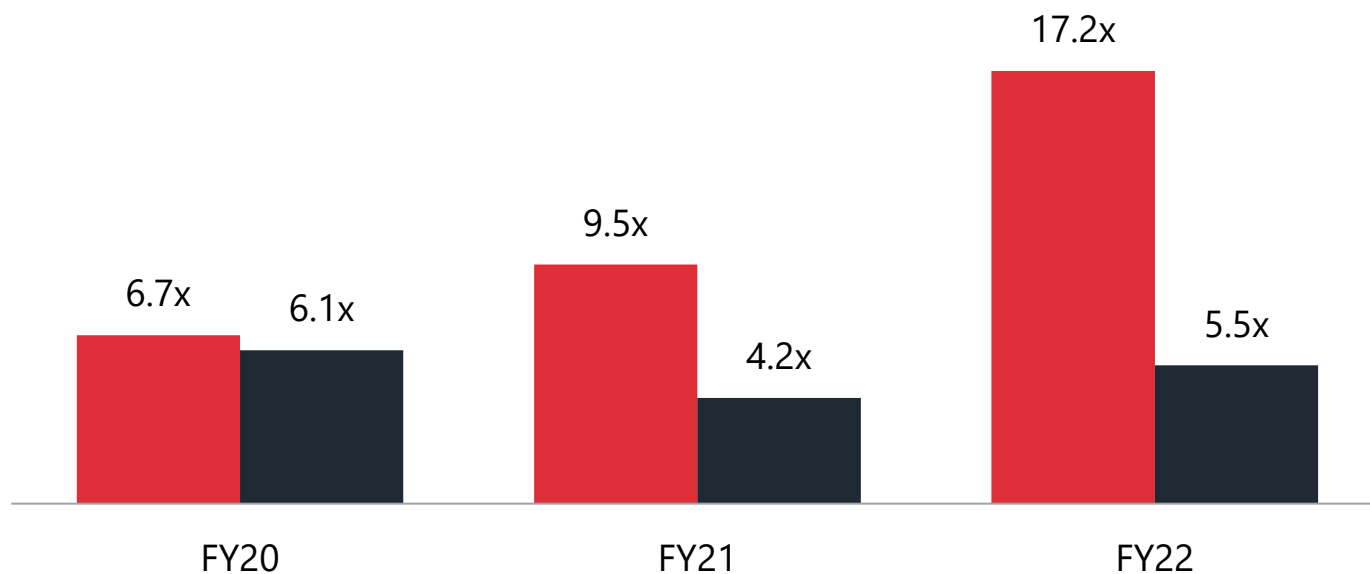
Thesis 1 | Previous acquisitions are a clear case study of poor allocation



LSPD overpaid for its acquisitions...

Weighted average EV/Revenue multiples in each LSPD fiscal year

■ LSPD transaction multiples ■ Precedent transactions



Across FY23 and FY25, LSPD recognized a **\$1.3B** of goodwill impairments, implying more than a halving of initial value

...and is now selling at a significant loss

THE GLOBE AND MAIL

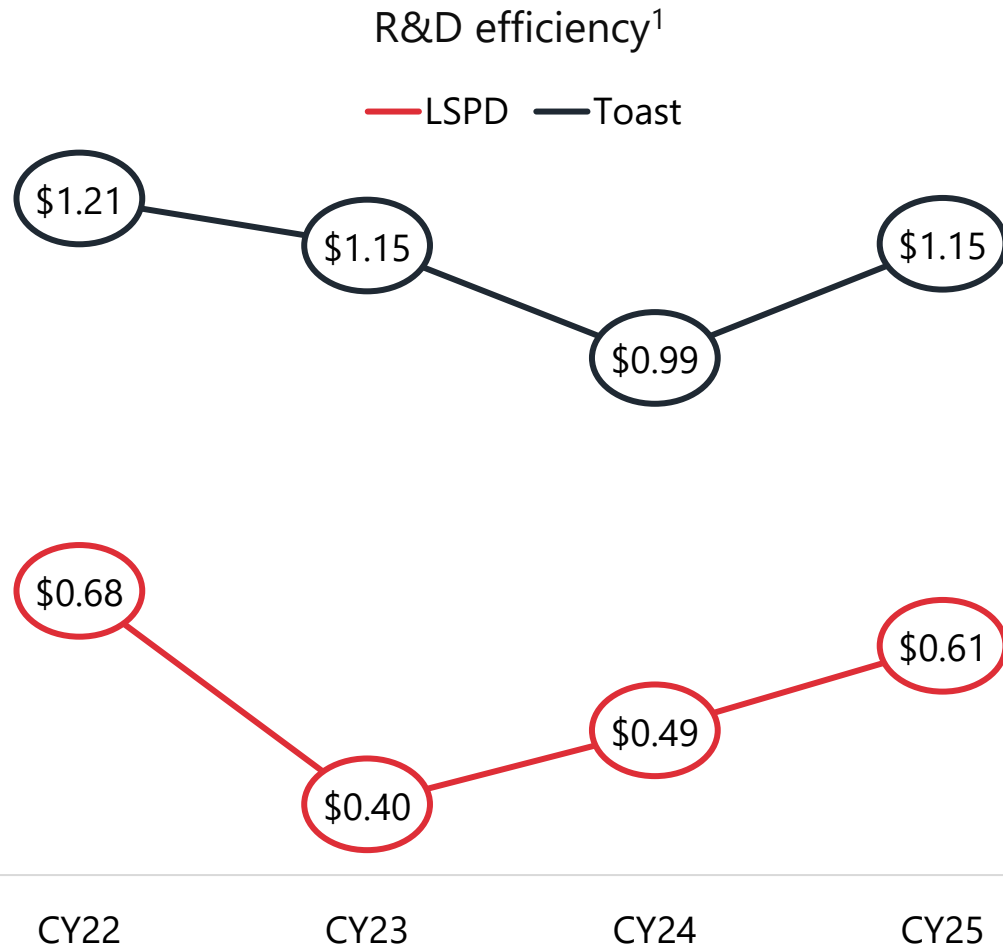
Lightspeed sells underperforming U.S. unit Upserve for fraction of \$430-million paid in 2020

	Entry (2020)	Exit (2026)	
GTV	\$6B	\$5B	↓
Customer locations	7.0K	3.2K	↓
EV/Revenue	10.8x	0.6x	↓
Revenue	\$40M	\$140M	↑
EV	\$430M	\$81M	↓
Return to LSPD	0.2x		

Sources: Company Financials, Public Filings, Houlihan Lokey, Morgan Partners, Cherry Tree & Associates, Capital IQ



LSPD generates less incremental gross profit per dollar of R&D expense



“Lightspeed Payments had some [technical] integration issues. After the acquisitions, it felt like we had 10 different LSPDs that didn’t mesh”

– Senior Engineer, Shopify (formerly LSPD)



“Integration is time and resource intensive; even after, the consolidated codebase will experience more bugs and require more maintenance”

– Senior Engineer, Fiserv



Future impacts

Elevated R&D is forecast to cost LSPD \$270M and drive a 3.2% negative impact on EBITDA margins

1. Return on R&D calculated as current year incremental GP/prior year R&D spend






2 | Top-line is challenged as the industry matures

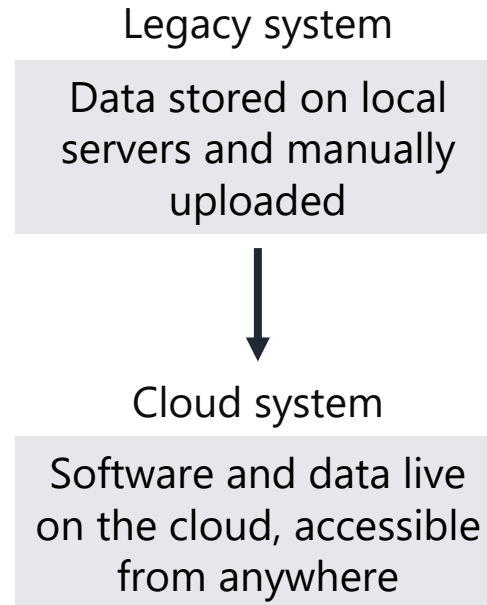
Thesis 2 | Merchants are already on cloud PoS systems



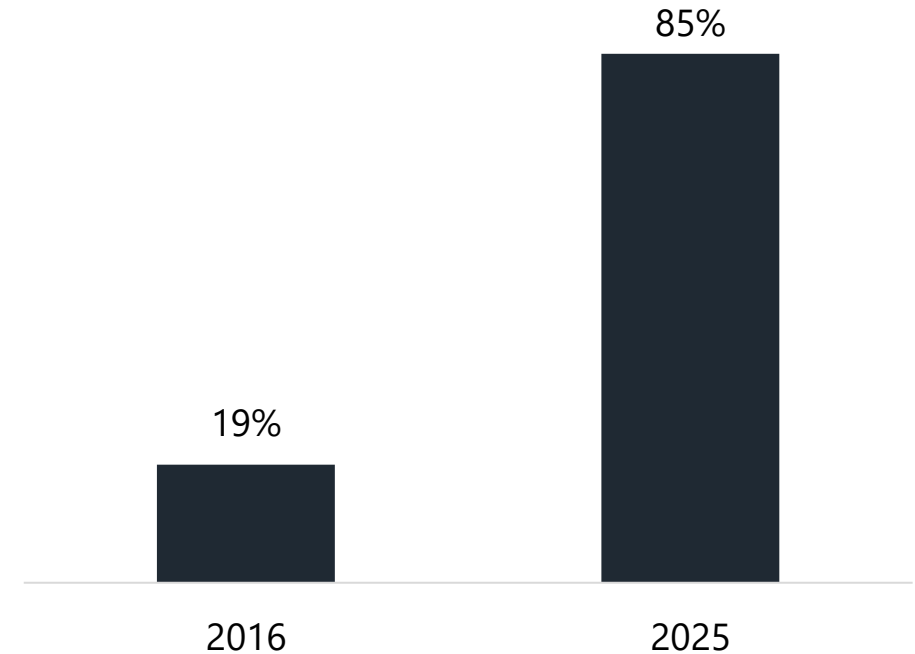
The NA industry has limited greenfield remaining, leaving 3 avenues of location growth for LSPD

Growth avenue	LSPD right to win
Displace legacy	 <i>Transition is largely complete</i>
Displace competitors	 <i>Merchants do not want to switch</i>
New business openings	 <i>LSPD is targeting mature customers</i>

The cloud transition



% of U.S. stores using a cloud PoS



“There are minimal legacy PoS systems left in the market [...] the merchants that are still on legacy will likely never switch”
 – PoS Expert

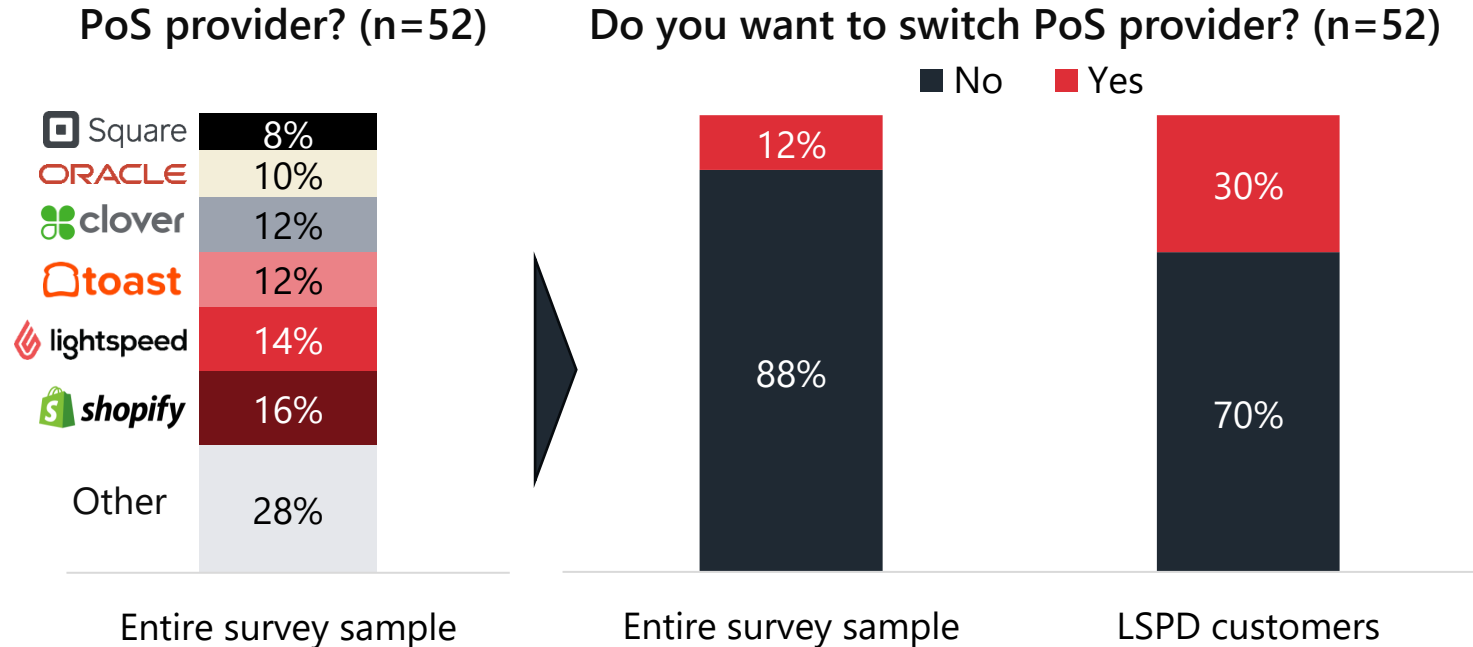
Sources: Worldpay 2026 report

Thesis 2 | Merchants do not want to switch between cloud PoS systems



The NA industry has limited greenfield remaining, leaving 3 avenues of location growth for LSPD

Growth avenue	LSPD right to win
Displace legacy	<p><i>Transition is largely complete</i></p>
Displace competitors	<p><i>Merchants do not want to switch</i></p>
New business openings	<p><i>LSPD is targeting mature customers</i></p>



LSPD customers show >2x more interest in switching due to

- Peer capabilities (i.e., e-commerce)
- Better pricing
- Mandated use of LightSpeed Payments

Sources: Primary Research

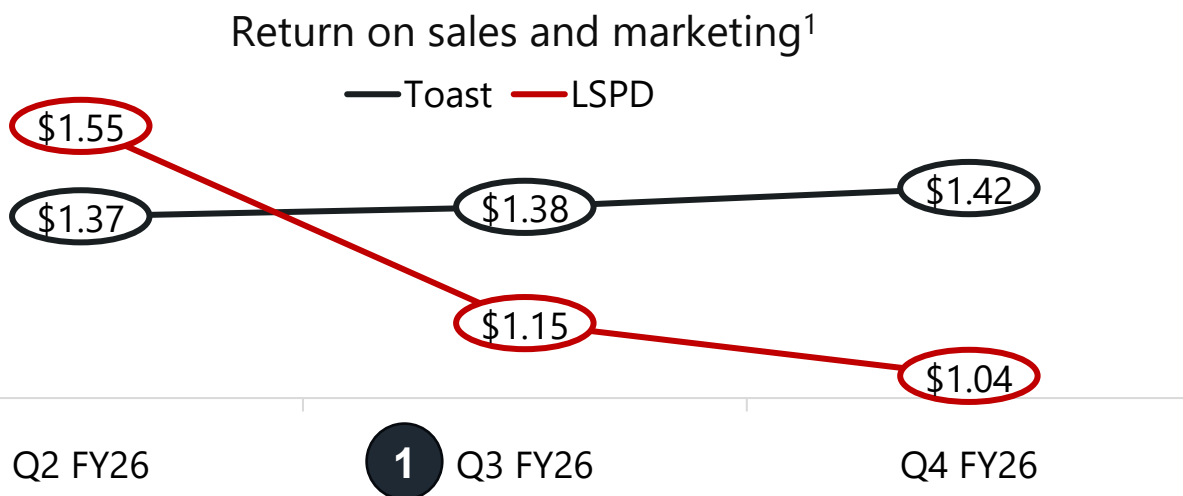
Thesis 2 | LSPD's small and inefficient sales team limits top-line growth



LSPD has the smallest, under-developed sales team...

	clover	SHIFT ^④	toast	sumup [®]	Square	lightspeed
Year of sales team founding	2013	2014	2015	2020	2023	2024
Sales team (# of reps)	600	750	800	800	150	150

...and sales reps are increasingly less efficient in a highly competitive environment



“There are sales reps coming into our stores daily [...] I switched to Toast because I liked the product and sales rep”

– Toronto-based premium restaurant

1 Despite sales team being fully ramped by Q3 FY26, LSPD sees deteriorating returns on S&M spend

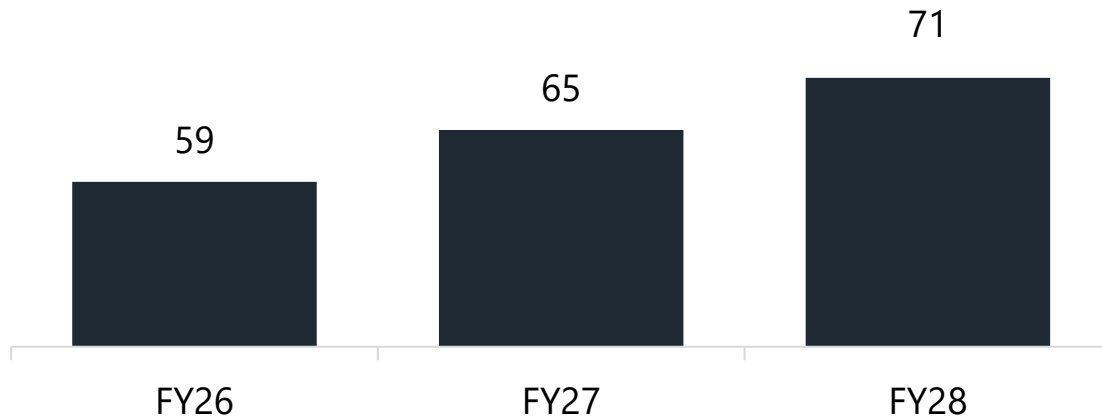
Source: Company Filings, Earnings Calls, Industry Reports, Payments Dive, BetaKit | 1. Software revenue / prior quarter S&M

Thesis 2 | LSPD will have to spend meaningfully to meet guidance



Current guidance is unrealistic...

of locations each sales rep needs to bring on to meet LSPD guidance (efficiency)



Historical efficiency

40 locations/rep

35 locations/rep

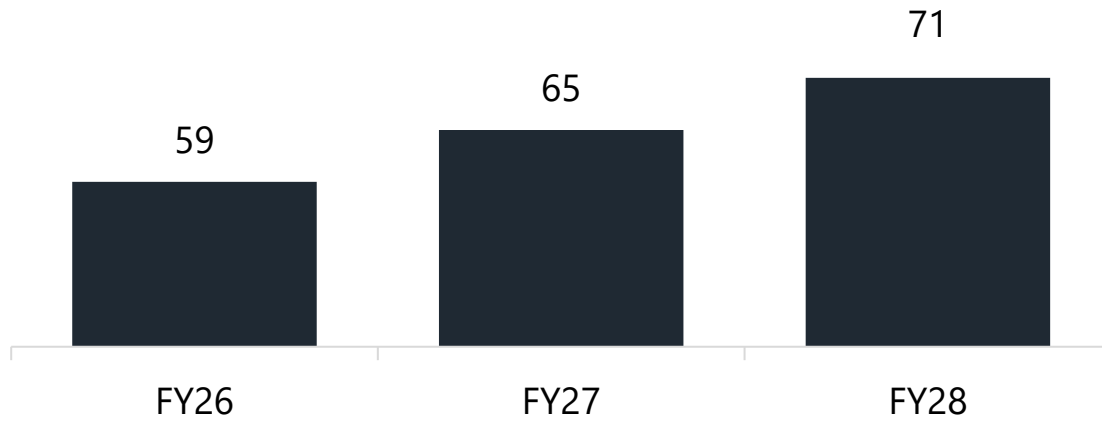
LSPD would need to **double efficiency** to meet guidance at current sales team size of 150 reps

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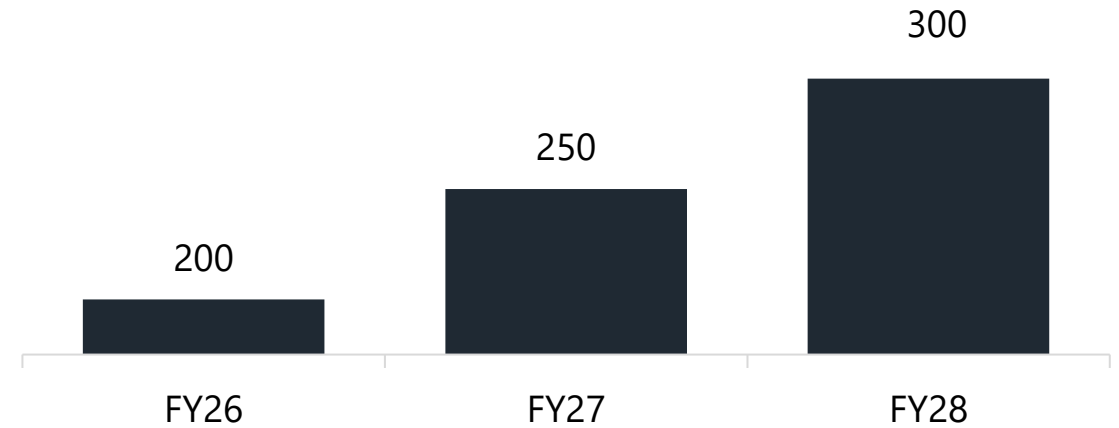
40 locations/rep

35 locations/rep

LSPD would need to **double efficiency** to meet guidance at current sales team size of 150 reps

...as LSPD would need to double its sales team

Sales team size needed to meet guidance



\$80M in additional S&M cost

8% drag on EBITDA margins

We forecast **7%** core market location growth through FY28 vs. mgmt. guidance of **10%**



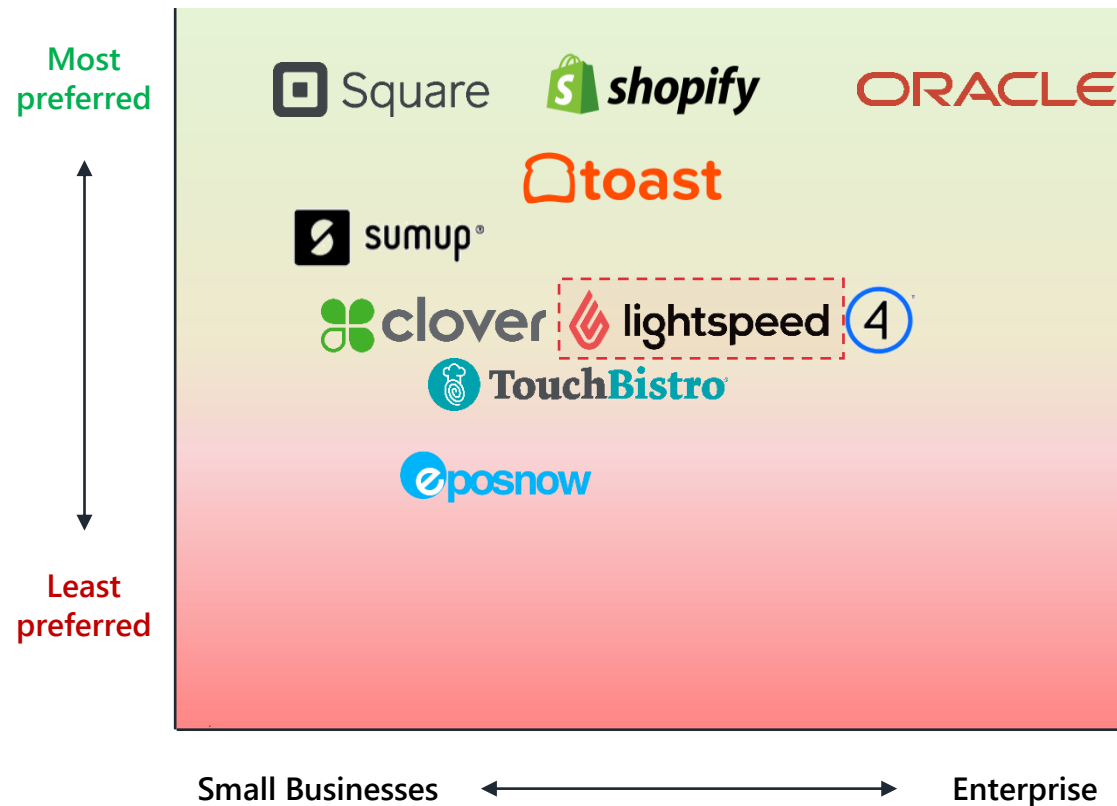
3 | Growth strategy targets the wrong customer

Thesis 3 | LSPD has limited niche and competitive advantage, with lagging growth

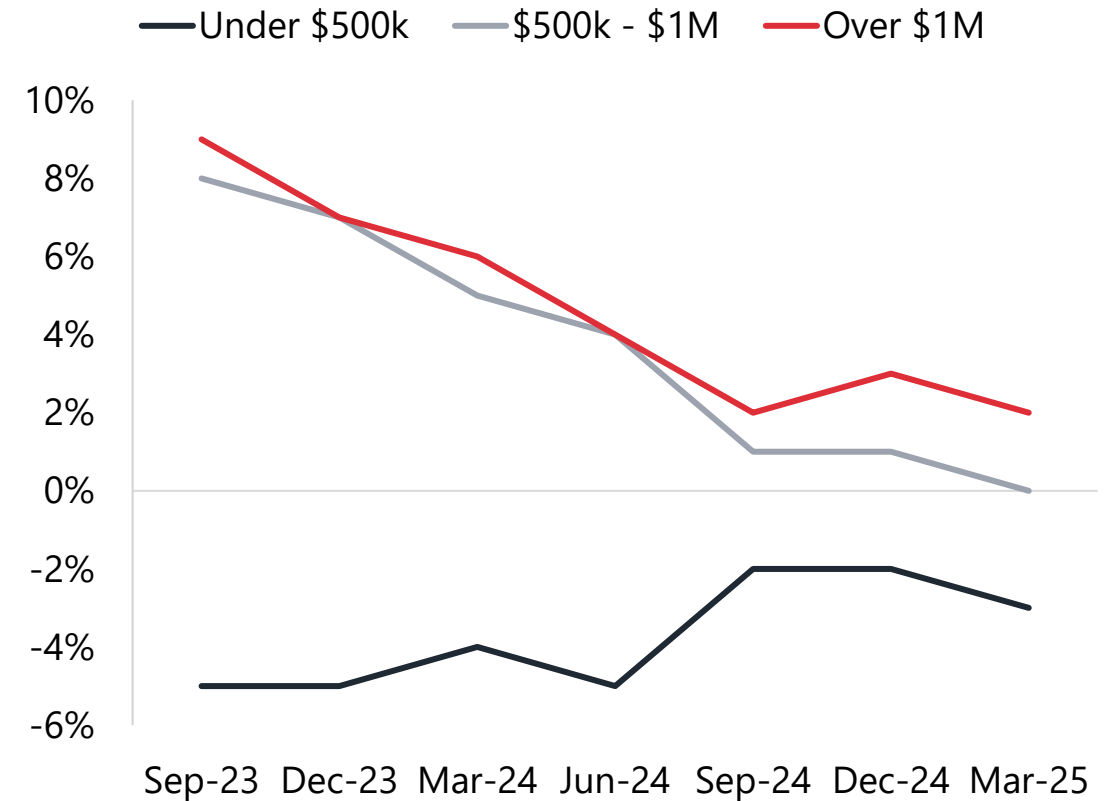


Competitor offerings align stronger to needs; LSPD fails to find a proper niche

Relative preference from third-party assessments (n=34)



Customer locations growth (by gross transaction value)



Sources: Team Analysis/Survey, Company Financials

Thesis 3 | Sole unique offering caters to a slowing industry



LSPD focuses on inventory-centric merchants while end consumers move away from this space

LSPD's target North American retail customer profile



Merchants with notable physical presence

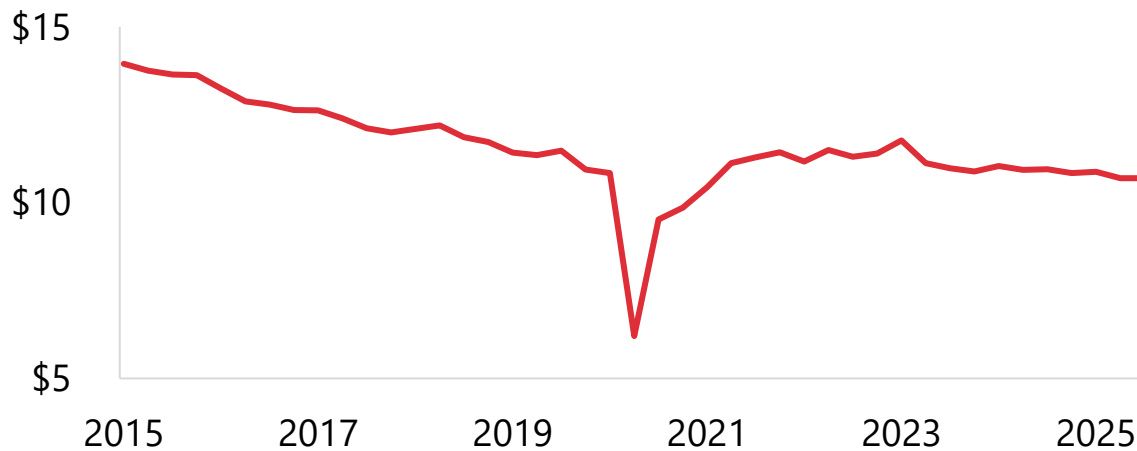


Med/high complexity (~\$500k GTV/yr)

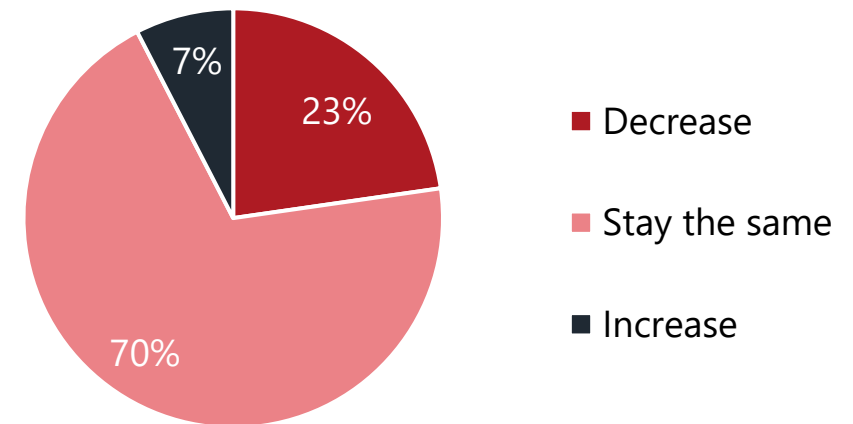


Thousands of SKUs in 1-150 locations

Department store retail sales (\$B)



How will your spending at physical department stores change in the next year? (n = 132)



Sources: Company Financials, U.S. Census Bureau, Team Analysis/Survey

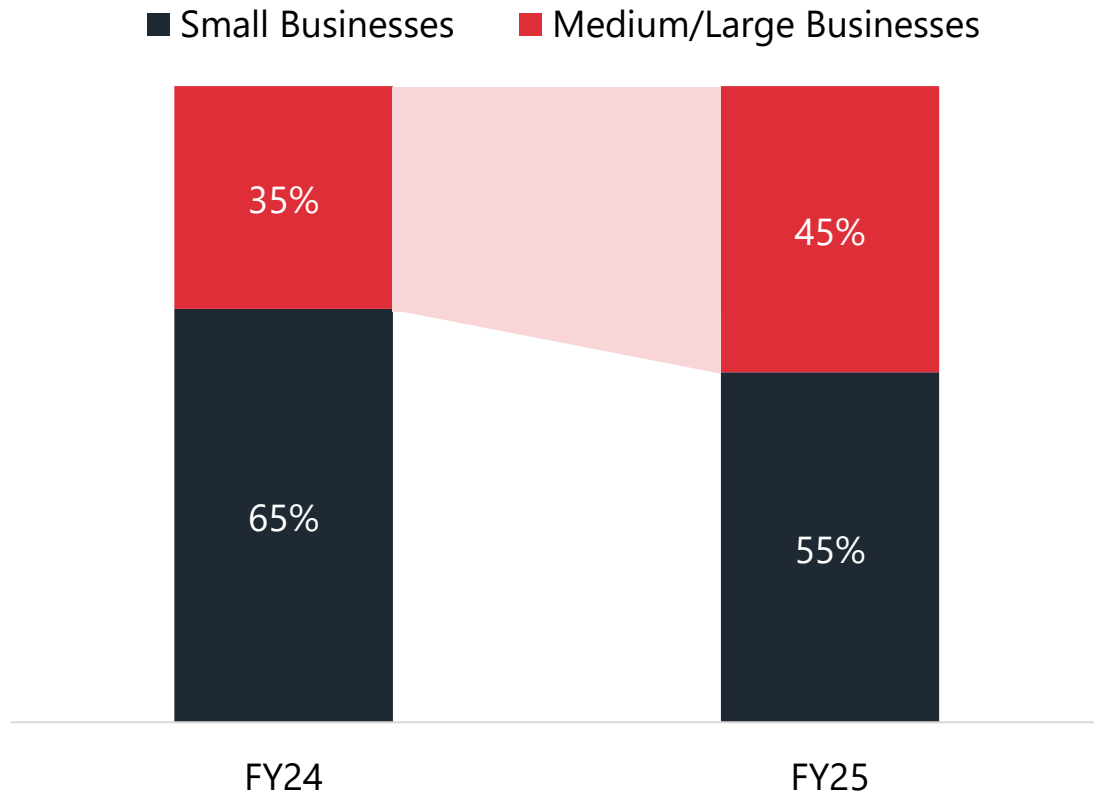
Thesis 3 | Target customer size pays structurally lower fees...



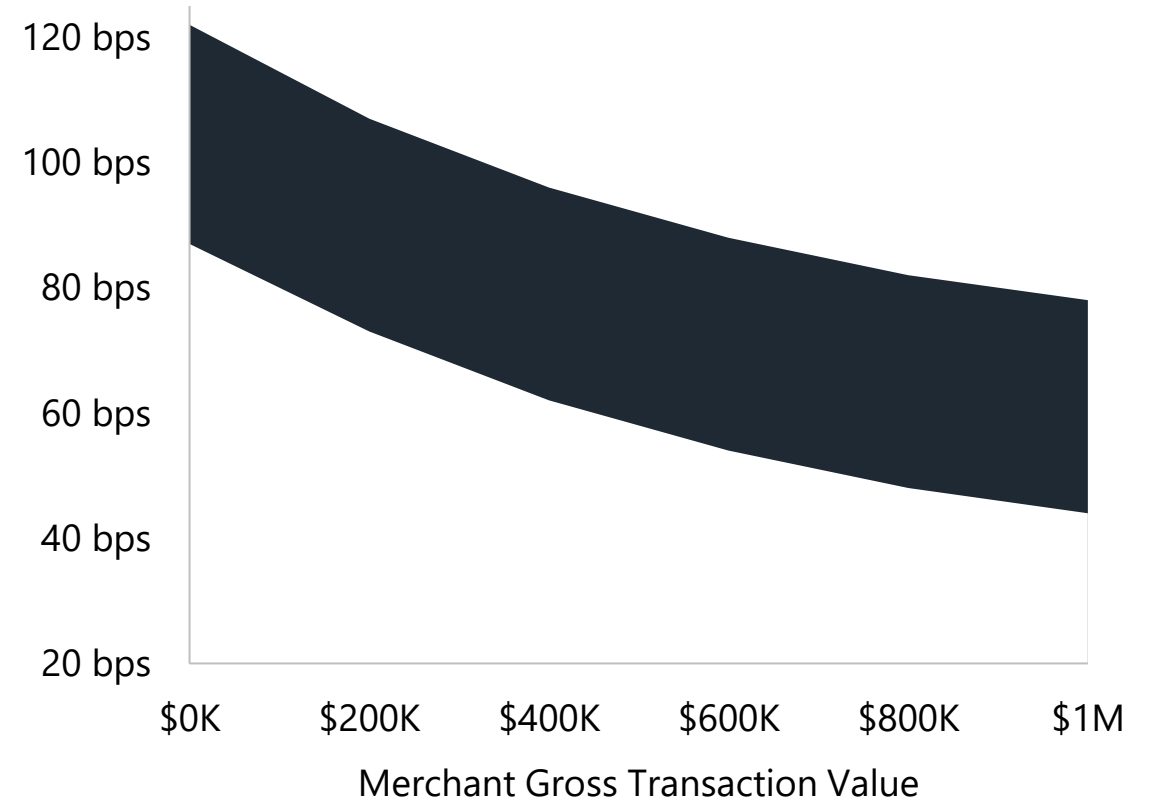
As share of revenue from larger customers grows...

...LSPD retains less of a transaction

LSPD customer mix by business size



Typical share of transaction available after bank fees



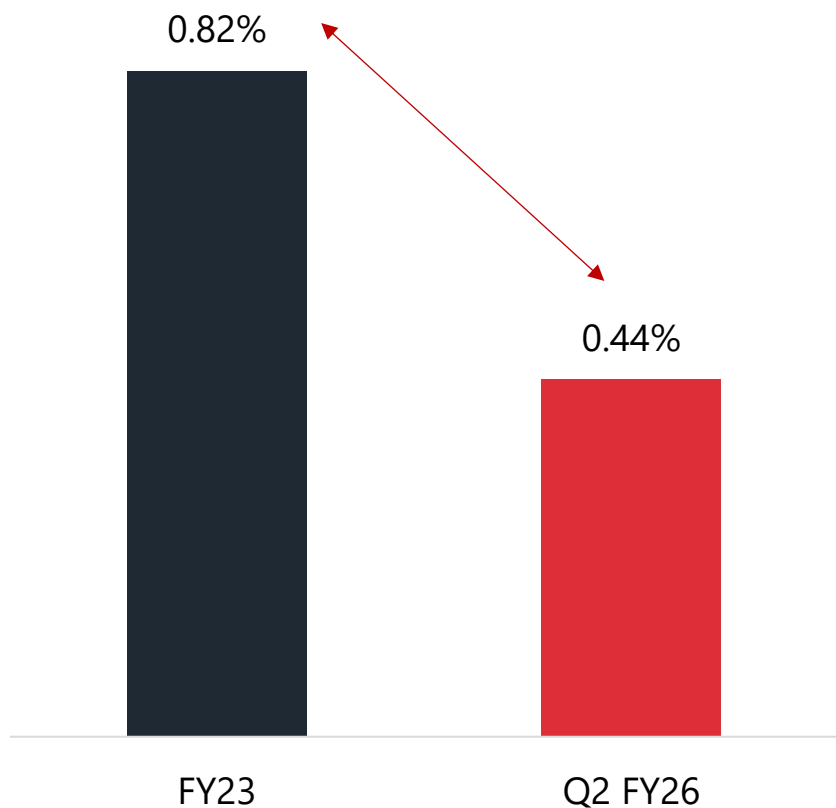
Sources: Company Financials, Bain & Co.

Thesis 3 | ...When LSPD already retains less of a transaction than peers



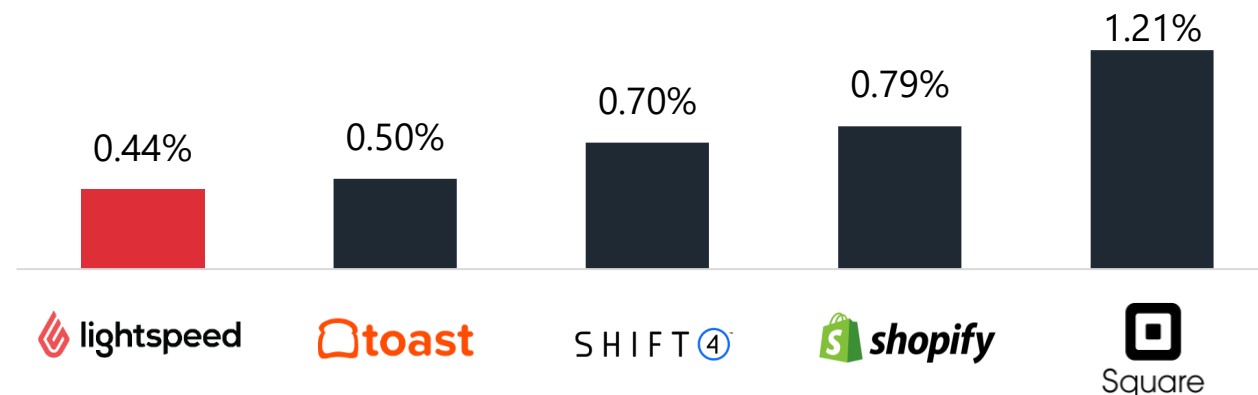
LSPD's take-rate on payments falls...

Percent of transaction LSPD retains¹

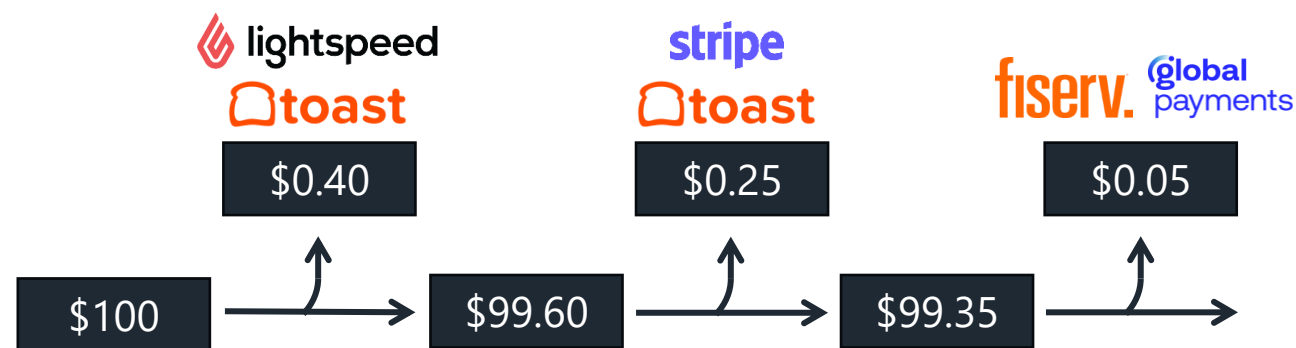


...even further behind industry peers...

Percent of transaction retained



...that own more parts of the value chain



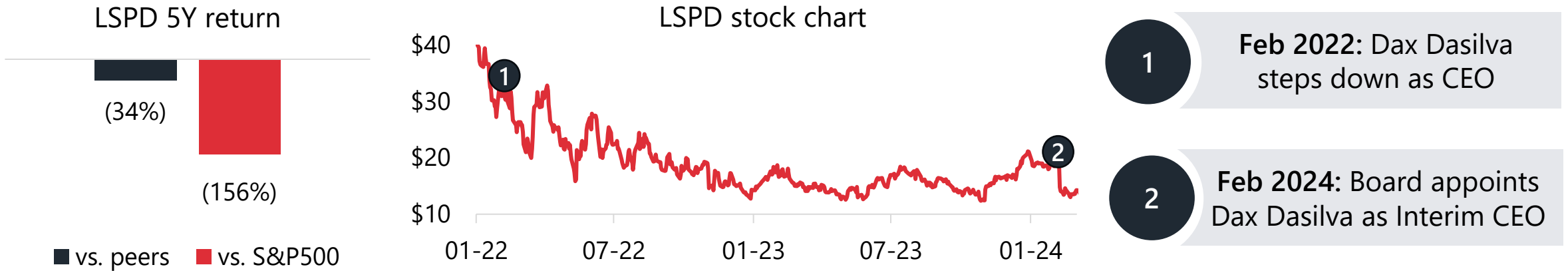
Sources: Company Financials, Competitor Financials



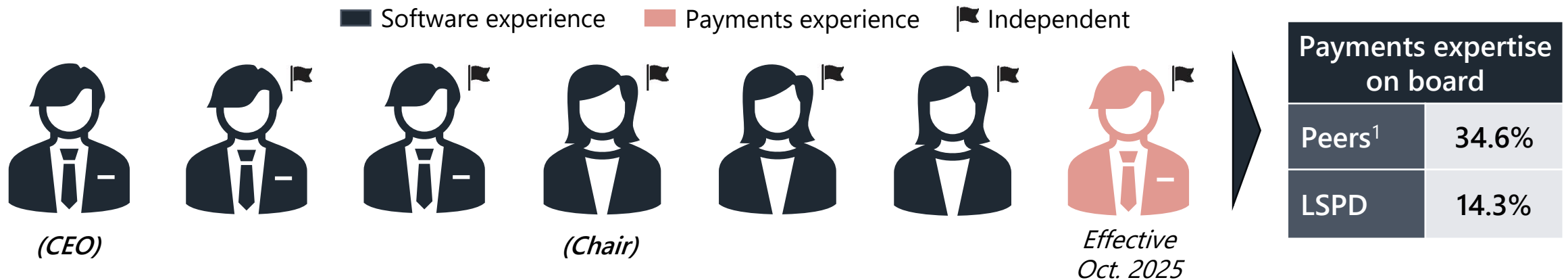
ESG | LSPD is in-line with peers in most categories



Company has severely underperformed, while previous CEO succession failed



LSPD board is experienced in software, less in payments

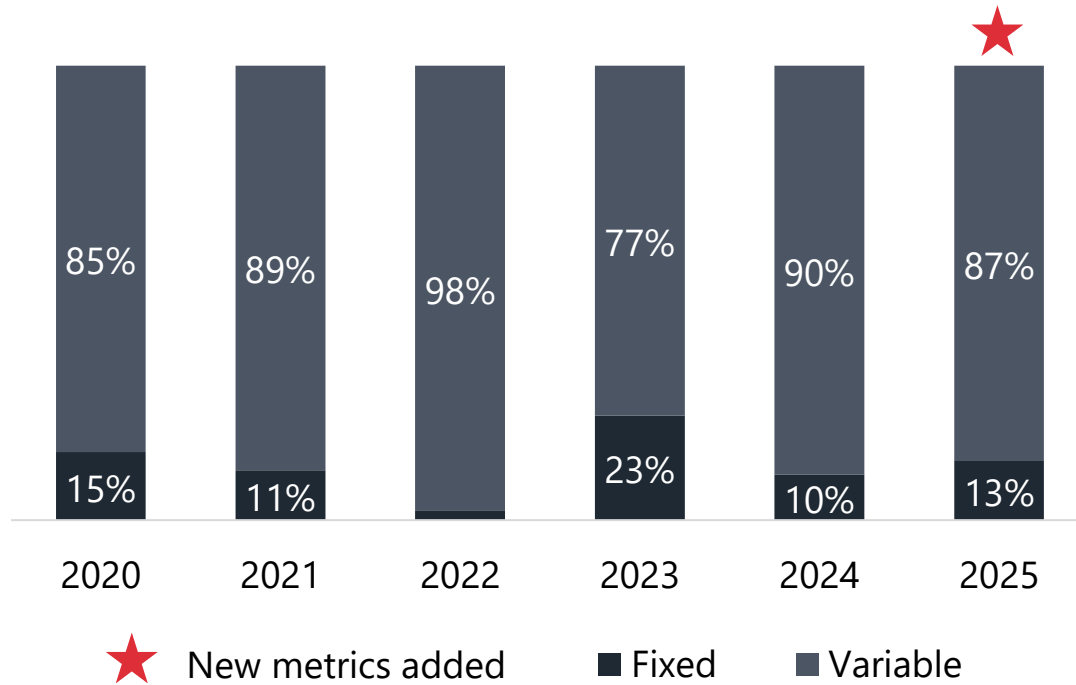


Sources: Team Analysis | 1. Peer set includes Toast, Fiserv, Shift4, and Block



Management has significant pay-at-risk, although target metrics have some flaws

Management compensation split



Metrics	Company rationale
Revenue	Measures topline growth and platform adoption
Adjusted EBITDA	Intended to promote operating leverage and cost discipline
★ Adjusted Free Cash Flow	Intended to reinforce capital efficiency, removes Lightspeed Capital business
★ Net Customer Location Growth	Captures customer expansion

Key incentive metrics emphasize growth and adjusted profitability over returns and capital efficiency, creating potential misalignment with long-term shareholder value

Sources: Team Analysis

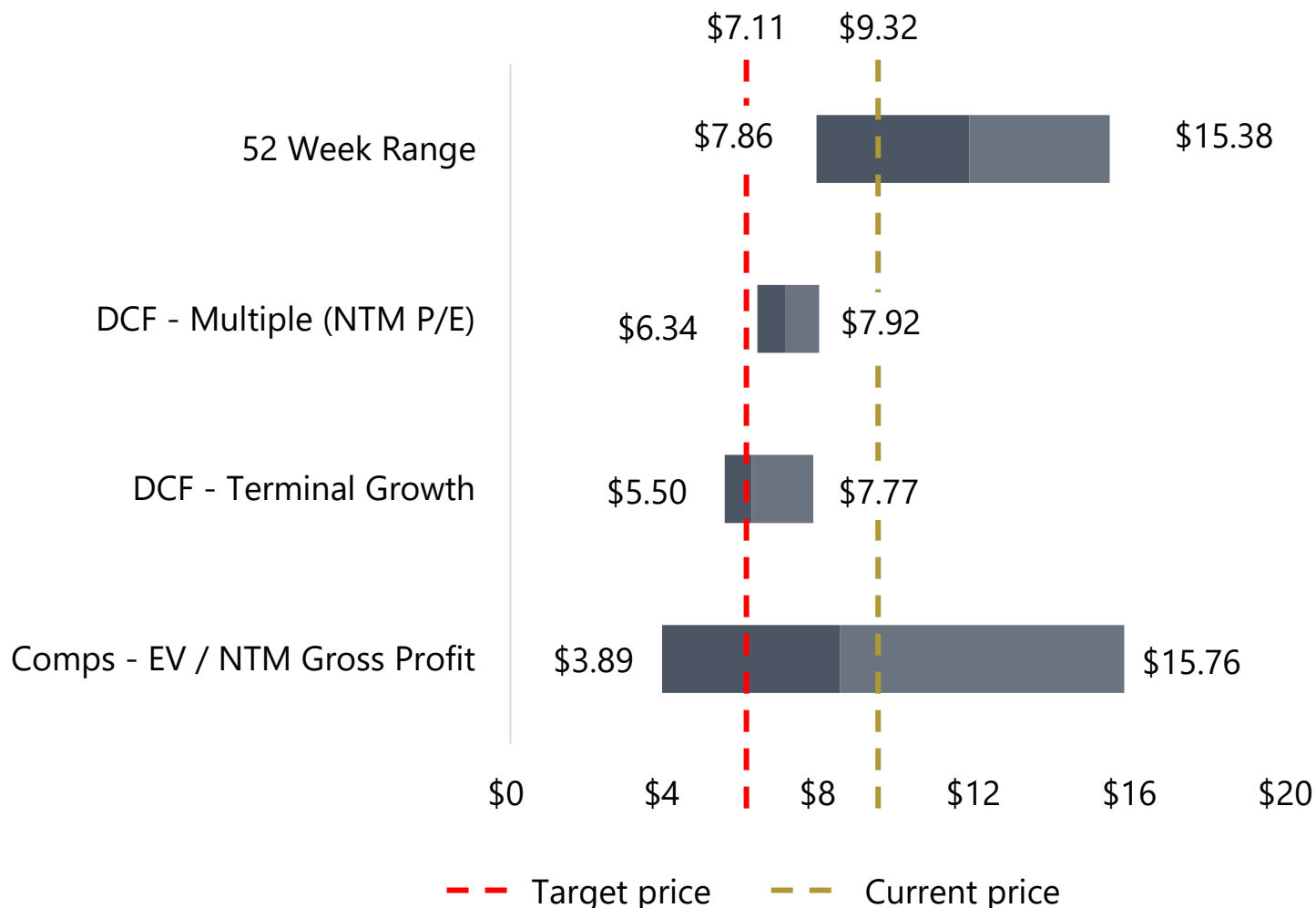


Valuation and investment risks

Valuation and investment risks | Final target price of \$7.11



Valuation football field



DCF assumptions

Forecasting assumptions		
Metric	Hist. ('20-'25)	Proj. ('25-'35)
Revenue CAGR	46.6%	9.6%
LFCF CAGR	N/A	12.6%
Metric	Hist. ('25)	Proj. ('35)
EBITDA Margin	(2.3%)	1.9%
ROIC ¹	(0.6%)	5.4%

Other DCF Assumptions	
Cost of Equity	12.8%
Terminal Growth Rate	2.5%
Exit Multiple (NTM P/E)	14.6x

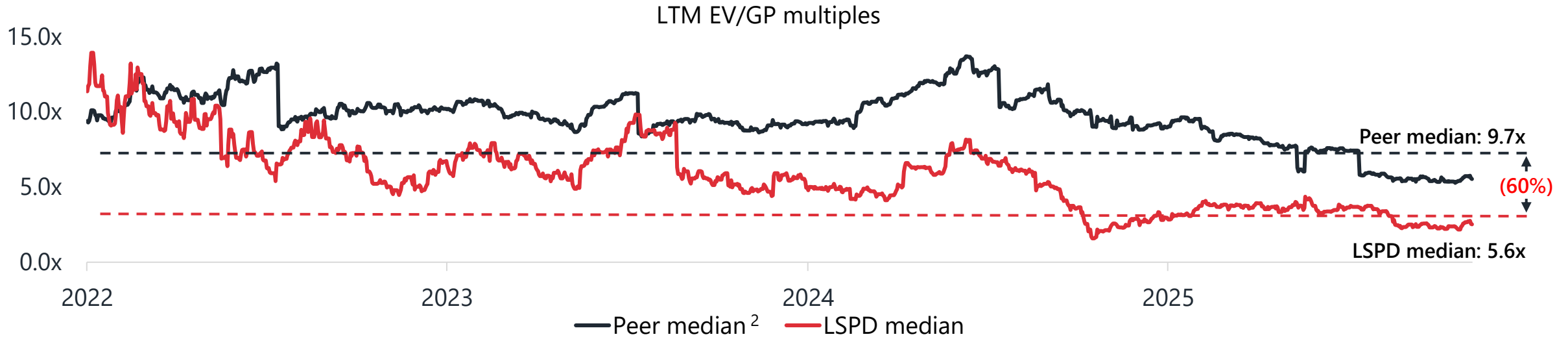
28% Downside

Sources: Company Financials, Team Analysis | 1. Return on Invested Capital, calculated as NOPAT divided by invested capital

Valuation and investment risks | Relative valuation (weighted 20%)



LSPD has consistently traded below peers and the discount is expected to persist



	YoY Revenue growth	Gross margin ¹	EBITDA margin ¹	Operating margin ¹	ROE ¹	EV / GP
	12.9%	42.8%	(2.3%)	(10.6%)	(6.2%)	1.6x
Peer group ²	13.4%	40.6%	13.1%	7.4%	15.7%	4.3x

We have applied a 60% discount to the forward peer multiple

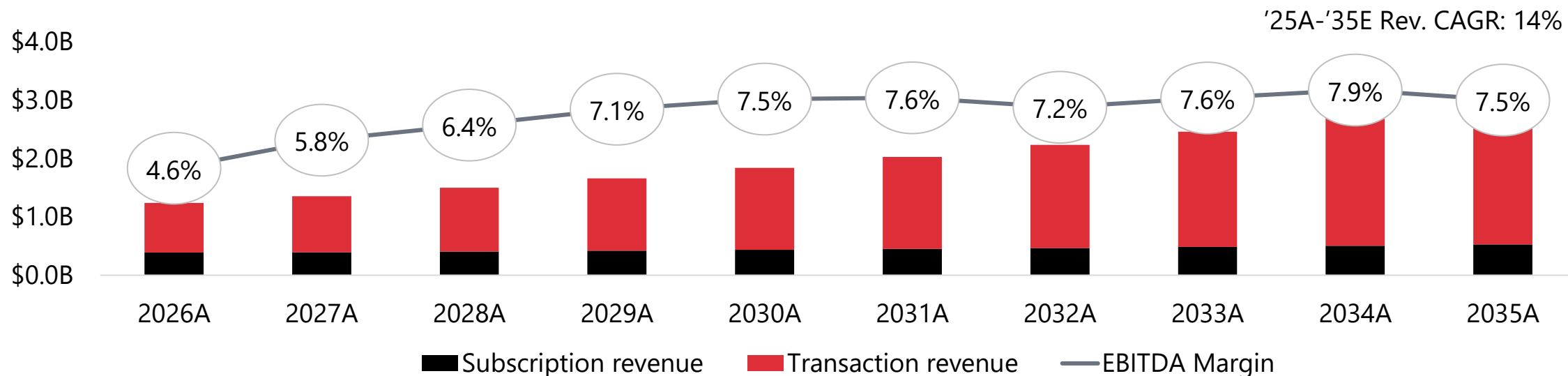
Timeframe	Current	1Y	2Y	3Y
Discount to peers	(71%)	(81%)	(59%)	(64%)

Sources: Company Financials, Capital IQ, Team Analysis | 1. Financial metrics as of LTM 2. Peer set includes PoS peers Toast, Fiserv, Shift4, and Block

Valuation and investment risks | Intrinsic valuation (weighted 80%)



Forecasted revenue and gross margin



Thesis 2

Thesis 3

Customer locations

Gross margin

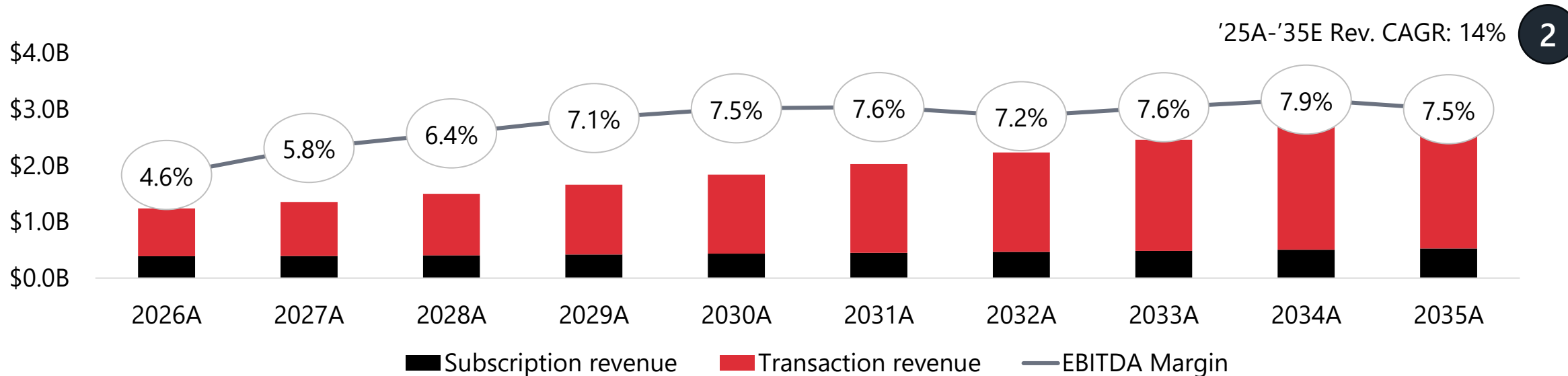
Year	2029E	2029E
Team	170K (↑ 12K from current)	38% (↓ 100bps from current)
Consensus	186K (↑ 38K from current)	43% (↑ 300bps from current)

Sources: Company Financials, Team Analysis

Valuation and investment risks | Intrinsic valuation (weighted 80%)



Forecasted revenue and gross margin



Thesis 2

Thesis 3

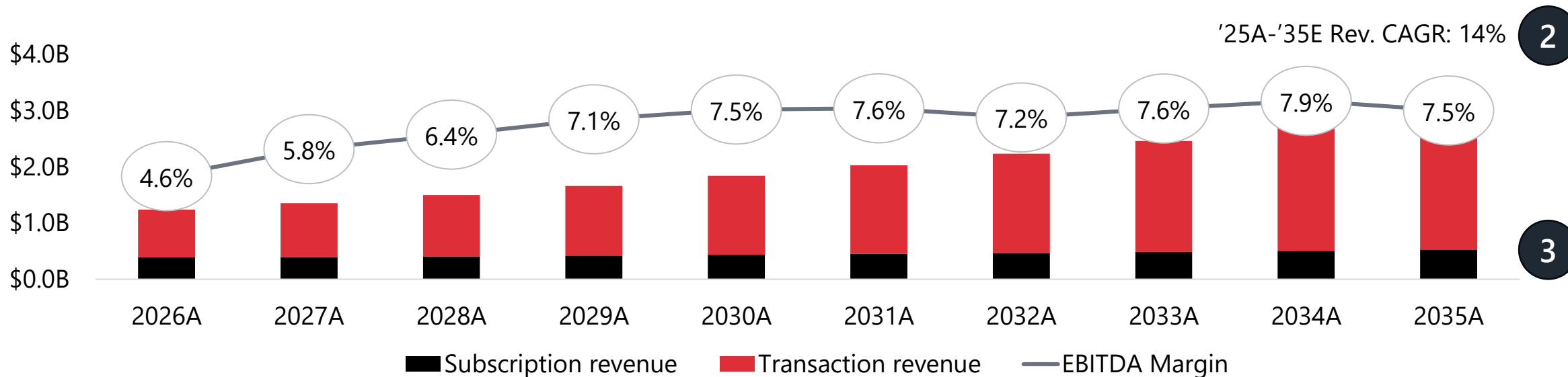
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Thesis 2

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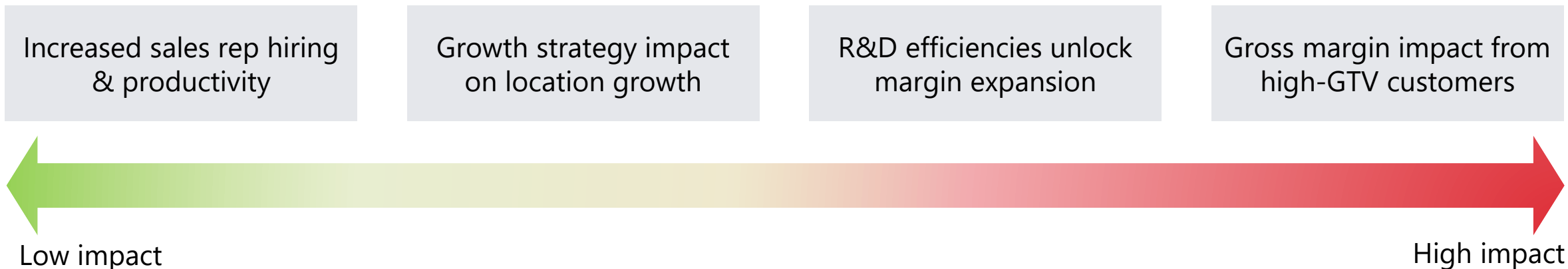
Sources: Company Financials, Team Analysis



Case sensitivity outputs

	Downside Case	Base Case	Upside Case
Revenue CAGR (FY26E -FY35E)	8.6%	10.0%	11.1%
Gross margin (FY35E)	31.1%	32.7%	33.0%
EBITDA margins (FY35E)	3.7%	5.7%	8.5%
Upside / (downside)	(45.4%)	(27.6%)	5.7%

Key sensitivity factors



Sources: Company Financials, Team Analysis



- R1** Core growth strategy succeeds
Mitigant: Competition and weak sales team
- R2** Change in management
Mitigant: LSPD has historically struggled to find new management
- R3** Payments economics enable operating leverage
Mitigant: Strategy and weak value chain ownership harms margins
- R4** Opportunity of LSPD being acquired
Addressed in subsequent slides

While majority of the risks have been addressed throughout our presentation, there is lingering belief that LSPD could be acquired by a large competitor

Sources: Team Analysis

Valuation and investment risks | Previous sale process failed, implied CAC is high



Recent strategic review indicates low appetite...

...as an acquisition would be costly

BNN Bloomberg | February 6, 2025

Lightspeed to remain public despite 'high level of interest' during strategic review

Acquisition premium	0%	10%	20%	30%
Implied purchase price	\$834M	\$967M	\$1.1B	\$1.2B
Customers	100K	100K	100K	100K
Direct CAC	\$8.3K	\$9.7K	\$11.0K	\$12.3K

Industry M&A and organic CAC is \$3-5K, lower than LSPD

There is limited benefits for a range of acquirors to buy LSPD

Acquiror Type	Customer Scale	Technology	Payments	Integration	Return Profile
Competitors	✓	✗	✓	✗	✗
Payment Processors	✓	✗	✗	✓	✗
BigTech	✓	✗	✓	✗	✗
Sponsor	✓	✗	✗	✗	✗

Sources: BNN Bloomberg, Company Financials, Competitor Financials, Team Analysis

Conclusion



Our theses lead us to believe LSPD will face headwinds to top-line growth and margin expansion...

1

Track record of value destructive capital allocation

2

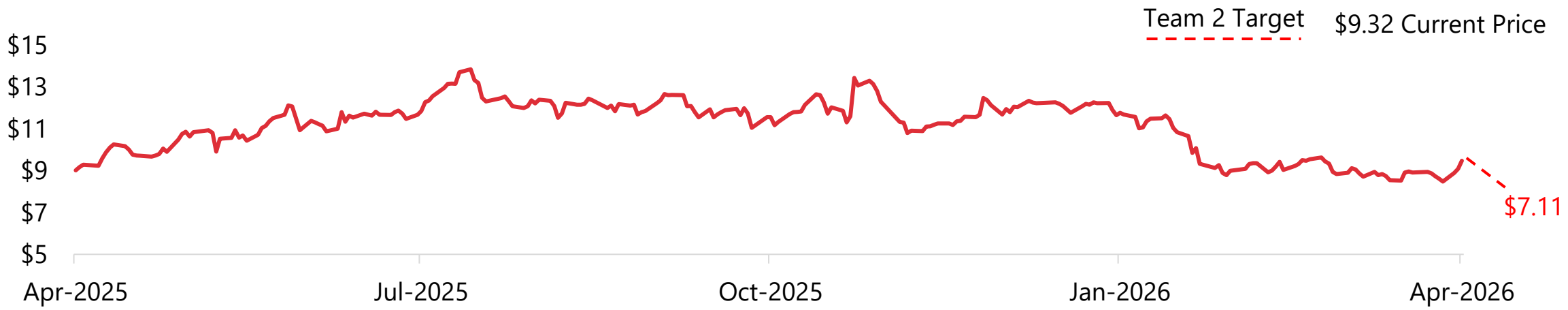
Growth ceiling is approaching

3

Growth strategy targets the wrong customer

SELL

12-Month Stock Chart



Presentation map



Business overview

- 2. [Primary research](#)
- 3. [Recommendation](#)
- 4. [Business overview: LSPD sample transaction](#)
- 7. [Business overview: Revenue segments](#)
- 8. [Business overview: Historical trading](#)

Industry overview

- 9. [Industry overview: Industry evolution](#)
- 10. [Industry overview: Competitive landscape](#)

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- 13. [Thesis 1: Historical acquisitions](#)
- 14. [Thesis 1: Poor integration R&D](#)

Thesis 2

- 16. [Thesis 2: Displacing legacy](#)
- 17. [Thesis 2: Displacing competitors](#)
- 18. [Thesis 2: Sales team](#)
- 20. [Thesis 2: Implications on guidance](#)

Thesis 3

- 22. [Thesis 3: Customer preferences](#)
- 23. [Thesis 3: NA strategy](#)
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- 25. [Thesis 3: Payments margins](#)

ESG

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- 29. [ESG: Management compensation](#)

Valuation

- 31. [Valuation: Football field](#)
- 32. [Valuation: Relative](#)
- 35. [Valuation: Intrinsic](#)
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Investment risks

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- 38. [Investment risks: Sale attempt](#)

Conclusion

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Appendix map



Business overview

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- [46.NuORDER](#)
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- [49.Lightspeed Capital GM impact](#)
- [50.MCA as a % of GPV vs. peers](#)
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- [53.High level historical change in mix](#)
- [54.Detailed historical revenue breakdown](#)
- [55.Historical EBIT & EBITDA](#)
- [56.Historical EV/Revenue since IPO](#)
- [57.Historical re-rating](#)
- [58.Historical stock chart since IPO](#)
- [59.SWOT analysis](#)
- [60.Porter's 5 forces](#)
- [61.Key performance indicators](#)

Industry overview

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- [63.F&B cloud and legacy market share](#)
- [64.Cloud vs. legacy strategy](#)
- [65.Peer degree of payments](#)
- [66.High-level payments value chain](#)

Industry overview (cont.)

- [67.LSPD history as payment facilitator](#)
- [68.Detailed payments value chain](#)
- [69.Industry pricing](#)

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- [70.ROIC using average](#)
- [71.Recent layoffs comparison](#)
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- [73.Dax quotes on inorganic growth](#)
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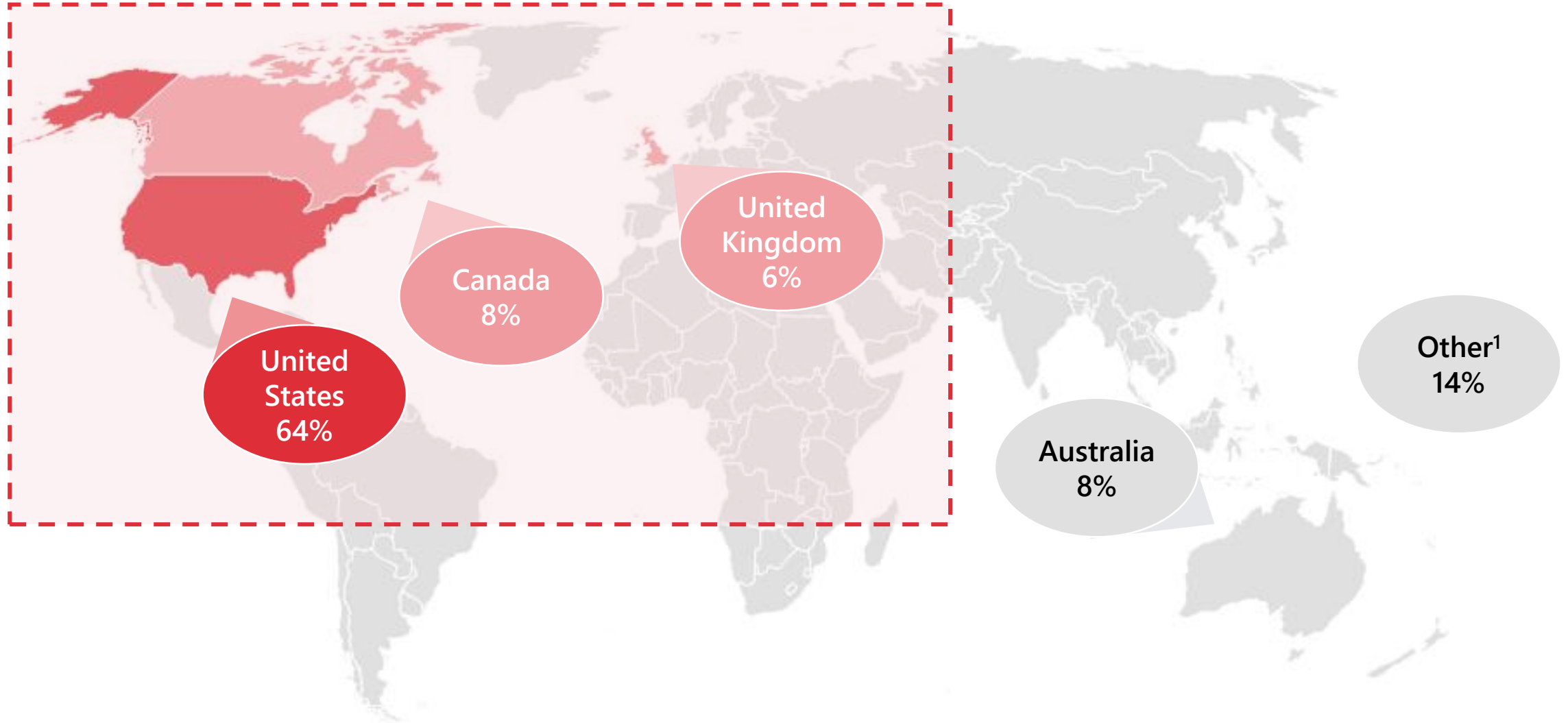
195. [Crypto + blockchain for payments](#)

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Appendix | Business overview | Revenue by geography








Focus markets are North American Retail, and European Hospitality



Source: Company Filings | 1. Other primarily includes Continental Europe and Asia Pacific



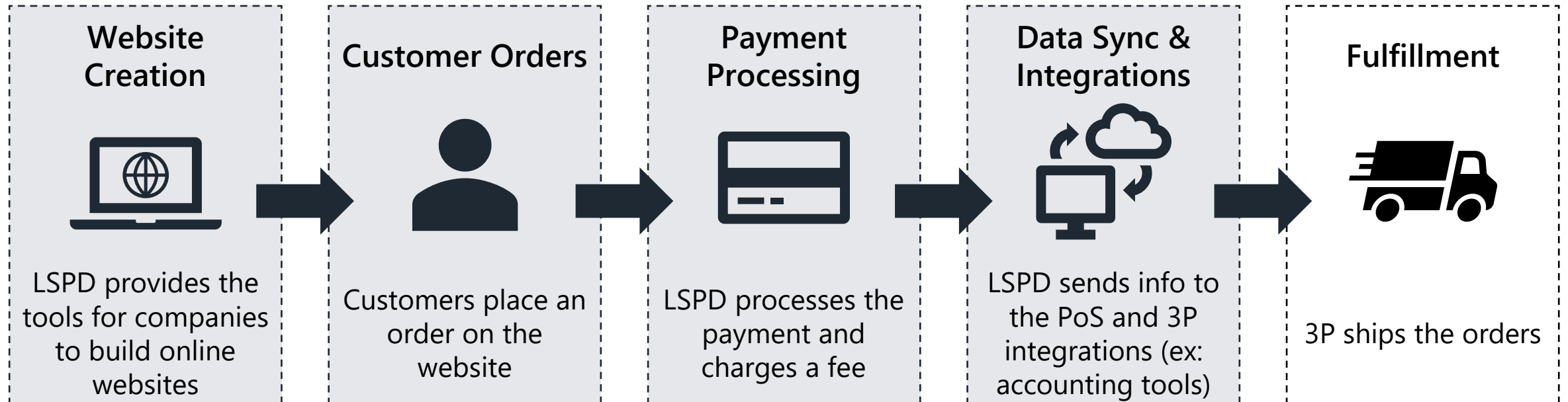
Main software modules

Segment	Retail	Hospitality (incl. restaurants)	Golf		
Core features	 Payments	 Capital	 Inventory Mgmt.	 Workforce & Payroll	 Reporting
Segment specific features	eCommerce Advanced Inventory Management Systems NuORDER	Kitchen Display Systems QR Code Ordering Tableside Ordering	Tee Sheet		

Each offering has similar core offerings, with additional features tailored to respective end markets



B2B and B2C eCommerce value chain



Target market

Lightspeed eCommerce

Targets B2C

Allows companies to create their own individual retail websites

NuORDER

Targets Wholesale B2B

Platform with thousands of retailers, each with their own storefronts

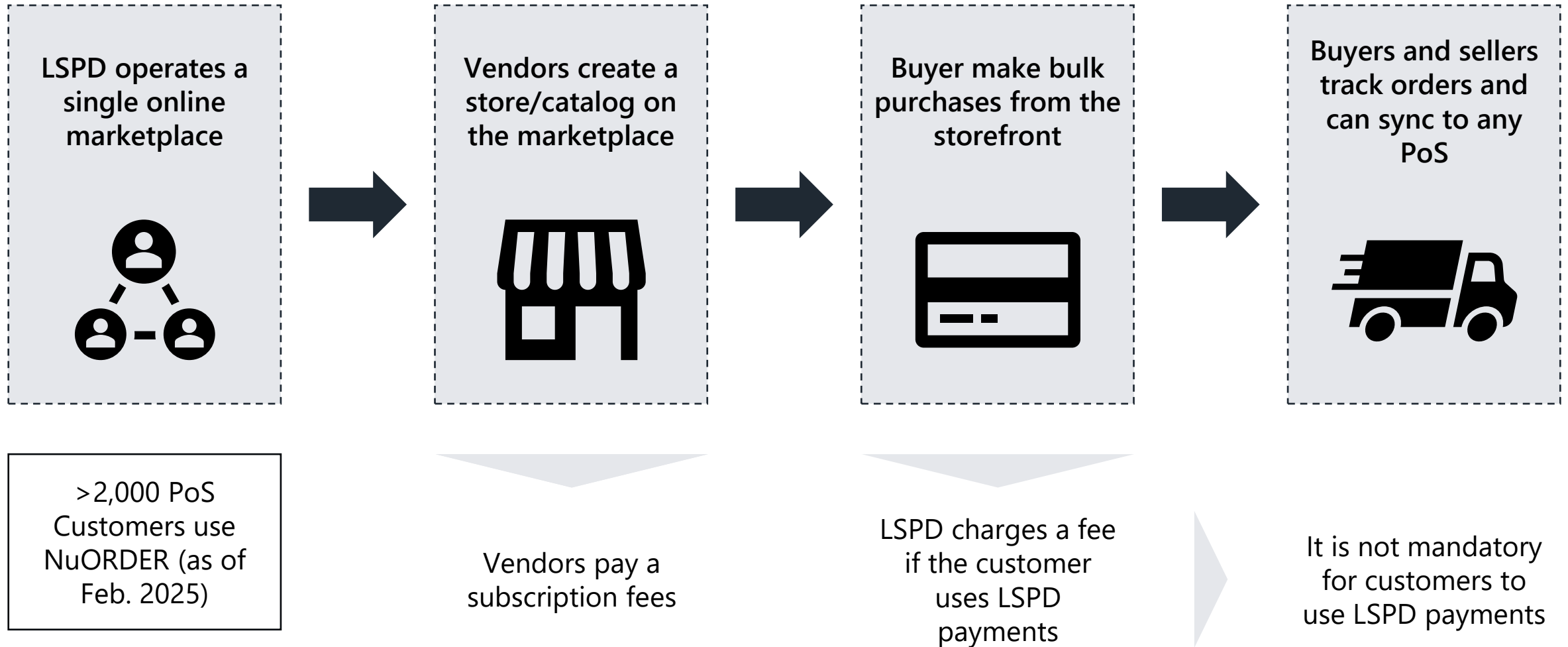
Legend

Owned by LSPD

Owned by 3P



NuORDER overview





Chronogolf Overview



Chronogolf is an all-in-one PoS system for golf courses encompassing tee sheet booking, equipment sales, and clubhouse/food and beverage service

Tee time management

Online bookings and payments
(tee times, lessons, etc.)

Custom website and app for
bookings and dashboards

Dynamic tee time pricing

Automated email marketing

Food and beverage PoS

In clubhouse and golf cart PoS
capabilities

In app/QR code ordering

Inventory management

Staff management

Golf retail PoS

Inventory management

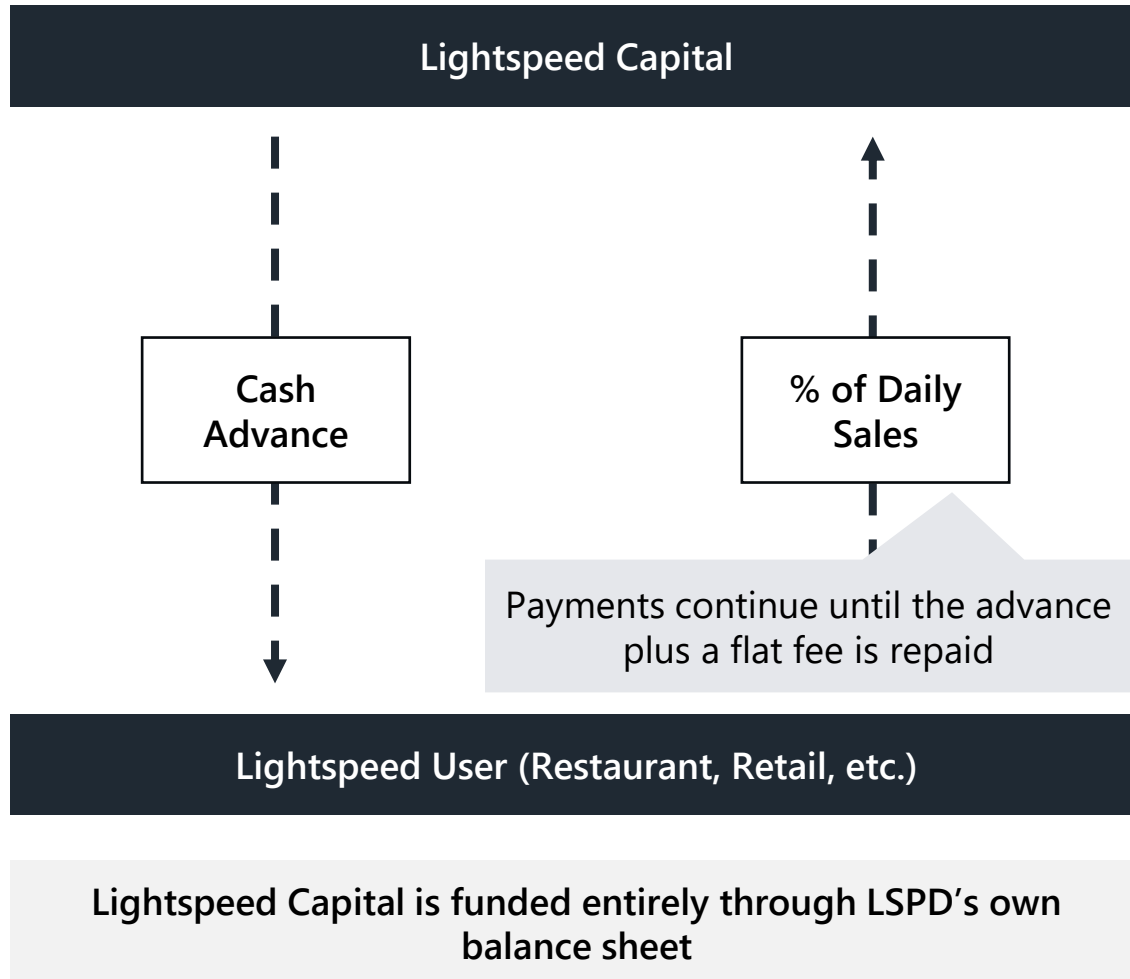
Retail PoS/payments

eCommerce

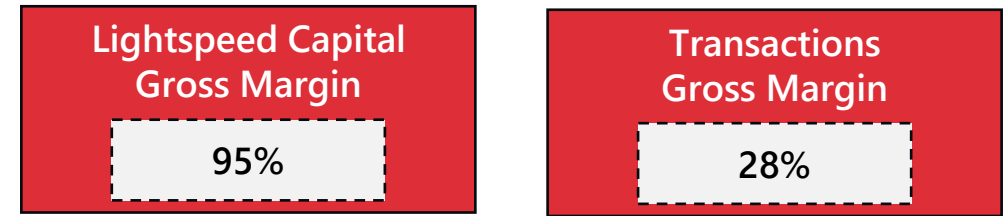
Customer profile



Lightspeed Capital business model

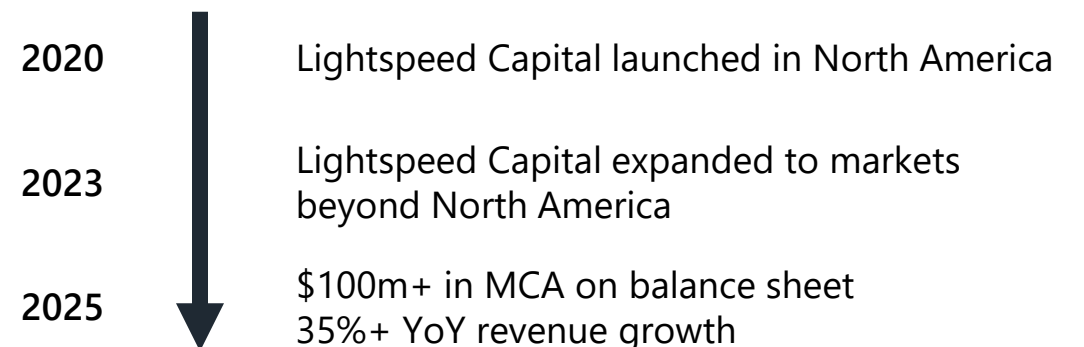


Lightspeed Capital contribution



Despite representing only 5% of Transaction-based revenue, Lightspeed Capital helps drive gross margins and profitability

Lightspeed Capital timeline



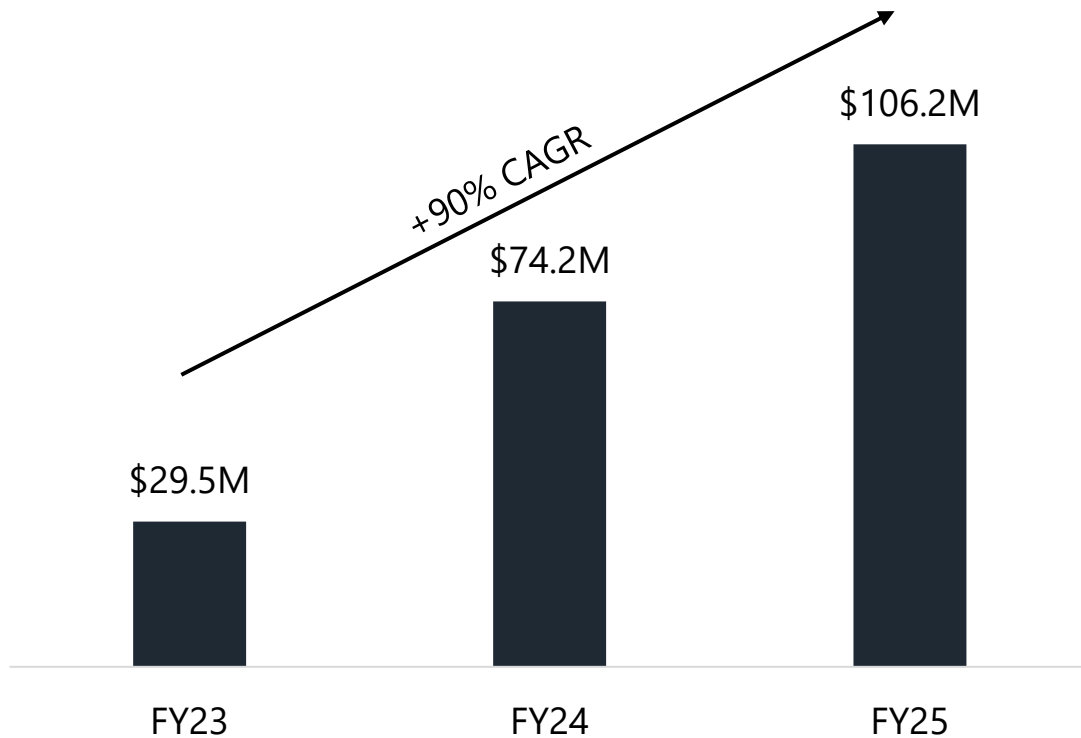
Source: Company Filings

Appendix | Business overview | Impact of Lightspeed Capital on gross margins



As LSPD scaled Capital business...

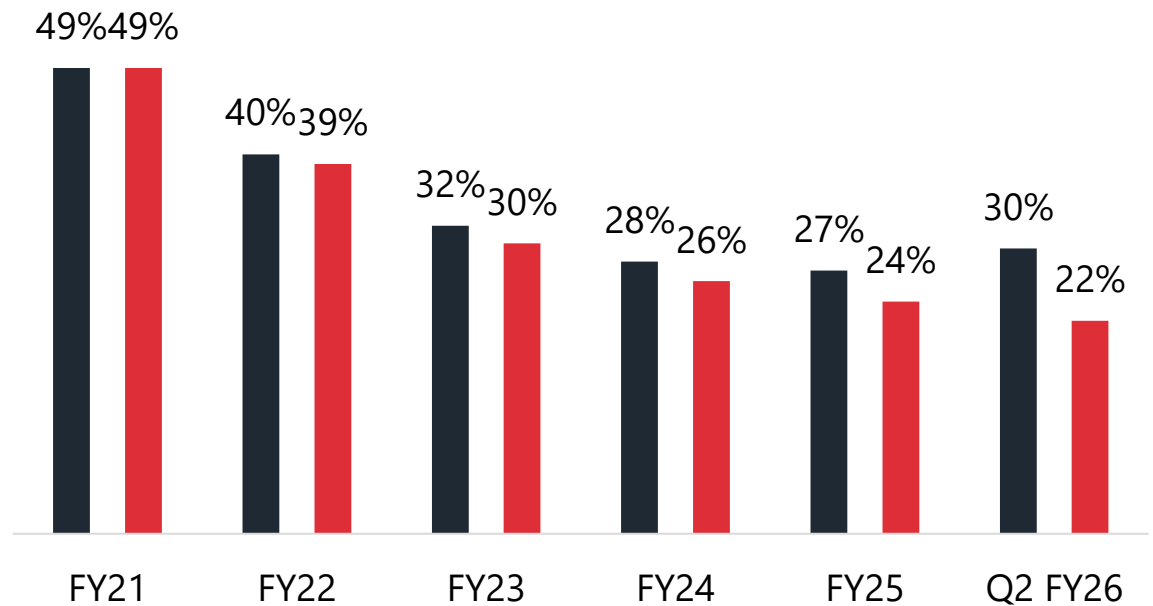
Value of merchant cash advances ("MCAs") on LSPD balance sheet



...it masked weakness in payments business

LSPD transaction-based revenue gross margins

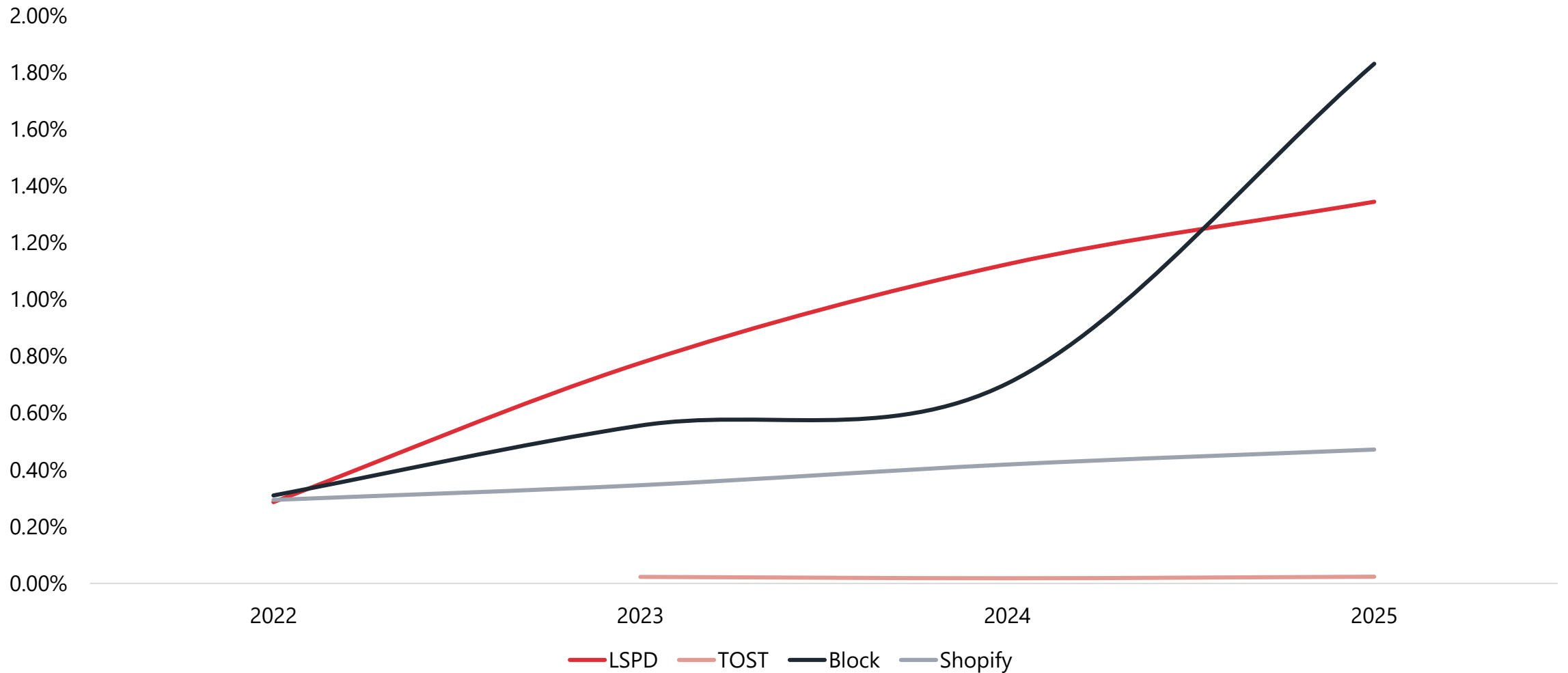
■ With Lightspeed Capital ■ Without Lightspeed Capital



Without the necessary cash flow to support the growth of the Lightspeed Capital, the margin support it is providing will begin to stagnate

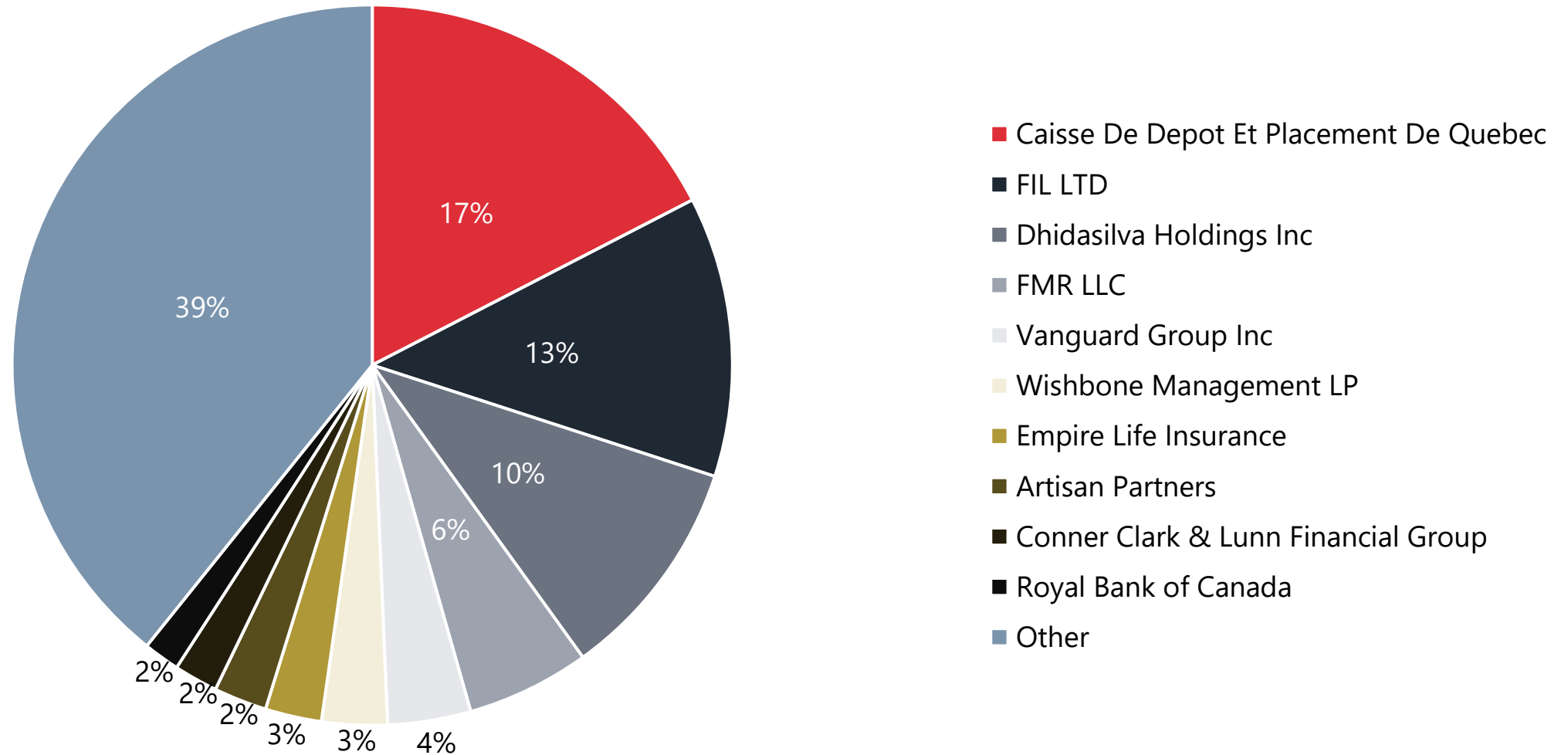


MCA/Loan Portfolio as a % of GPV





Ownership by % of Shares Outstanding





Industry switching costs

LSPD churn

Greatest impact



Time to onboard and train staff members on new PoS system



Transferring SKU inventory, kitchen inventory, menus, etc.



Upfront cost of new hardware

Lowest impact

Although LSPD and industry do not disclose exact churn rates, LSPD has made some high-level guidance:



“Lightspeed Payments was ingenuously positioned as a gentle change. At the time, we were expecting close to 30% churn.”

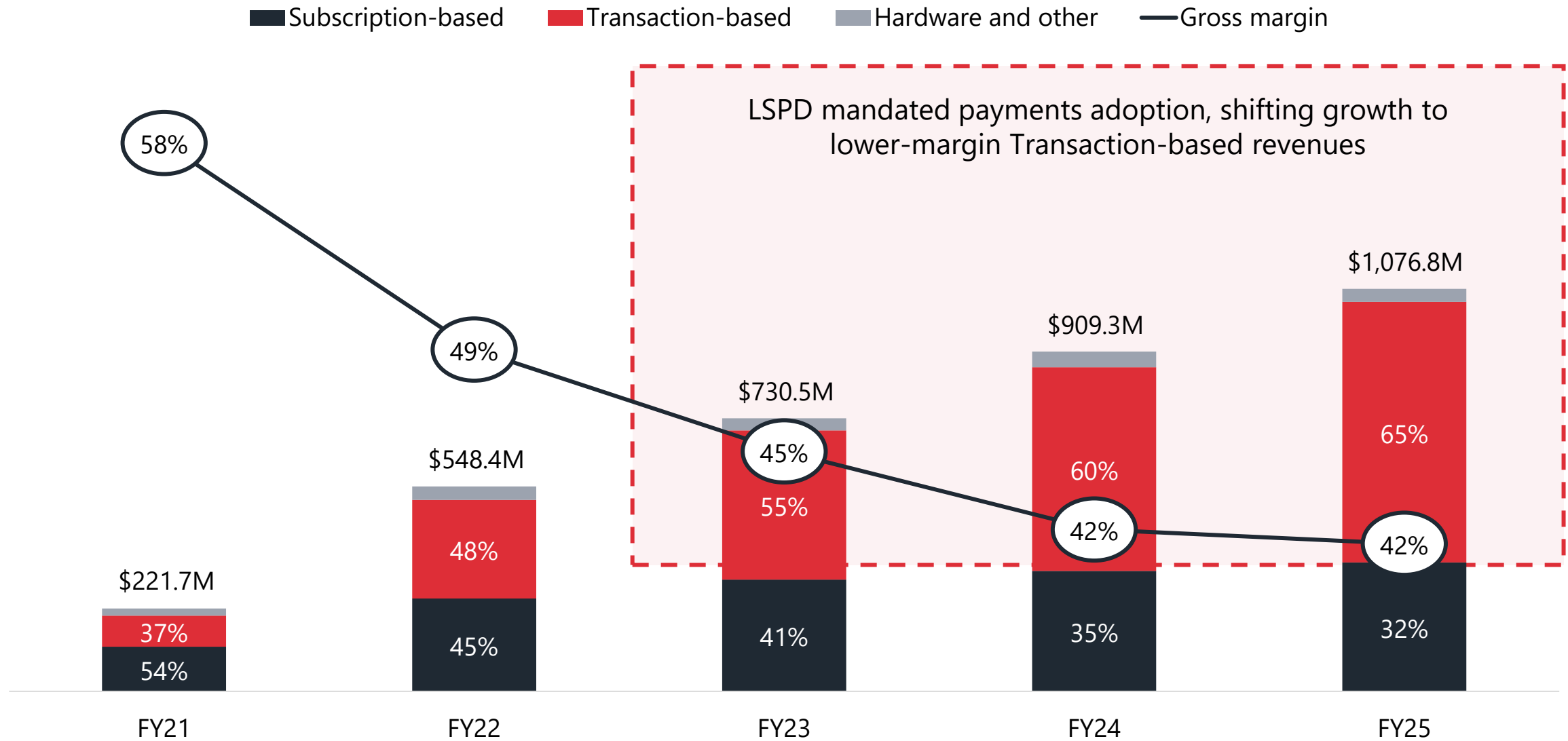
– Account Manager, Shopify (formerly LSPD)



“As we focus on higher GTV customers we expect churn to increase in the lower GTV cohort, however, this churn is planned for.”

– CFO, LSPD (Feb 2026 earnings call)

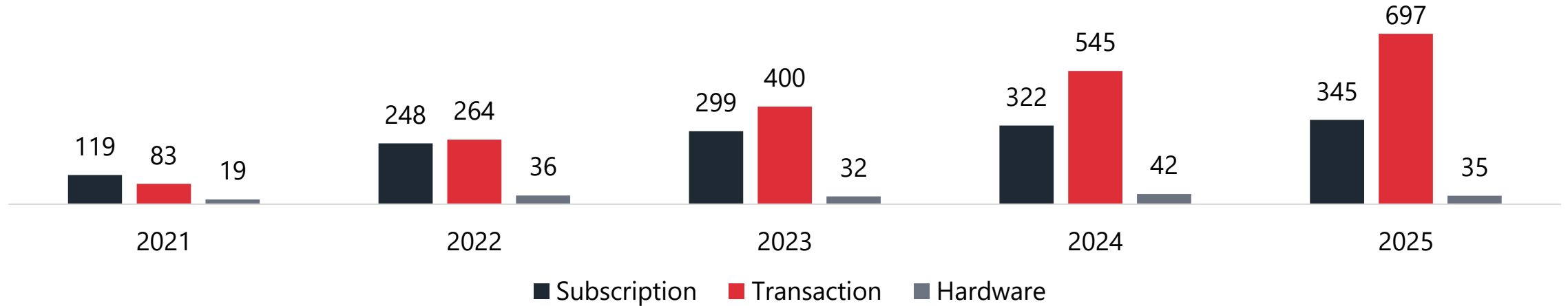
Appendix | Business overview | Change in mix



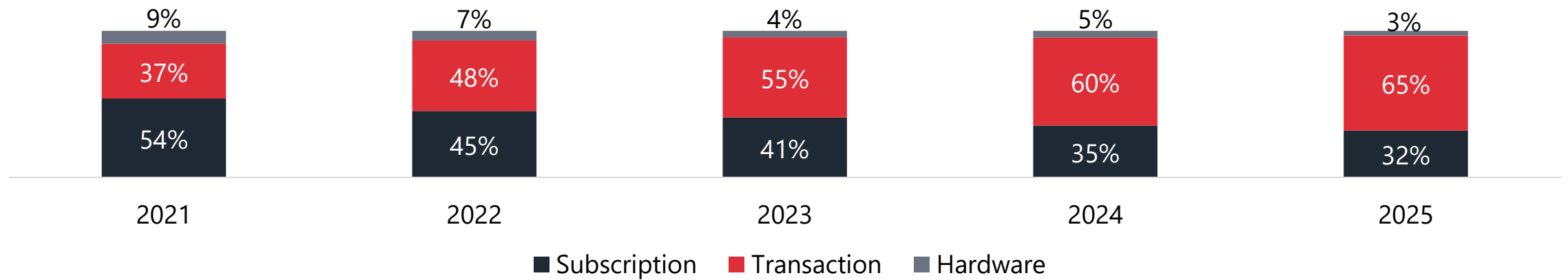
Appendix | Business overview | Historical segment breakdown



LSPD revenue by segment (USD, \$M)

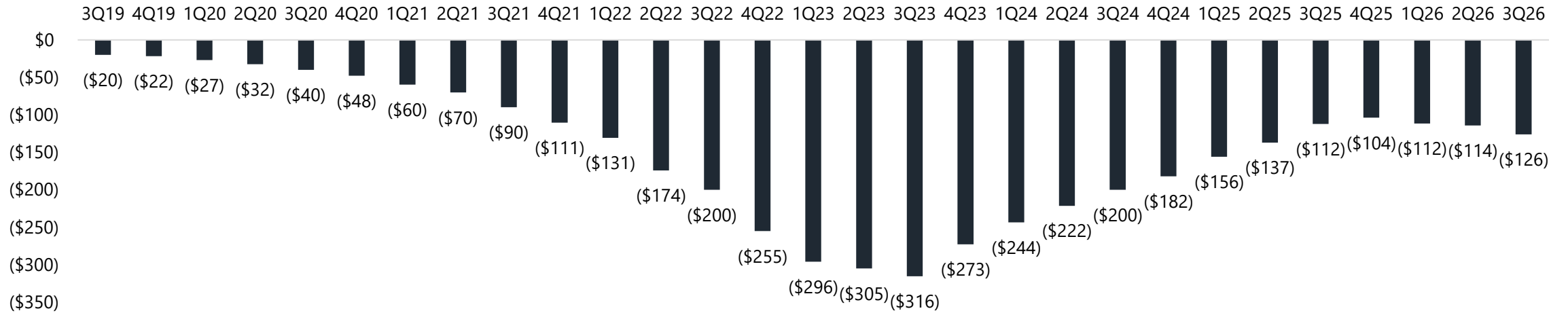


LSPD revenue by segment (% of total revenue)

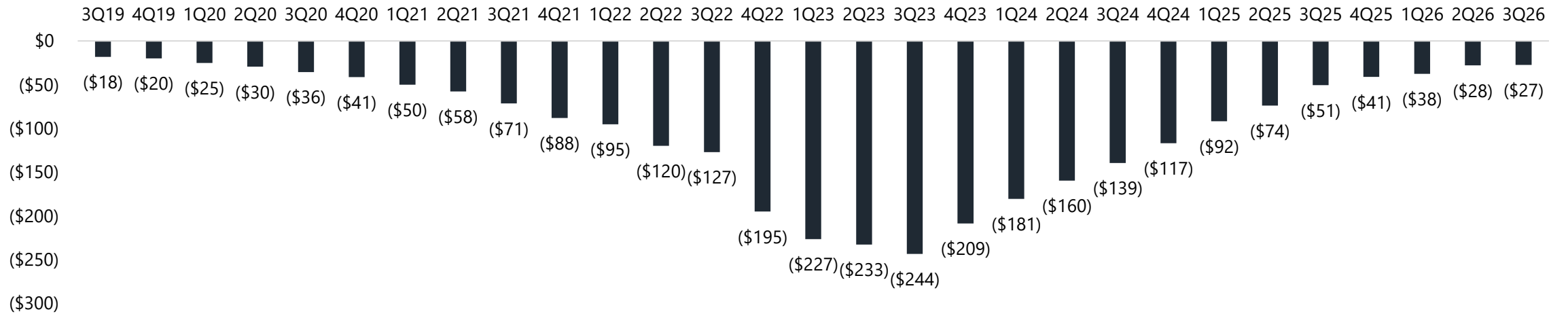




LSPD unadjusted LTM EBIT (USD, \$M)



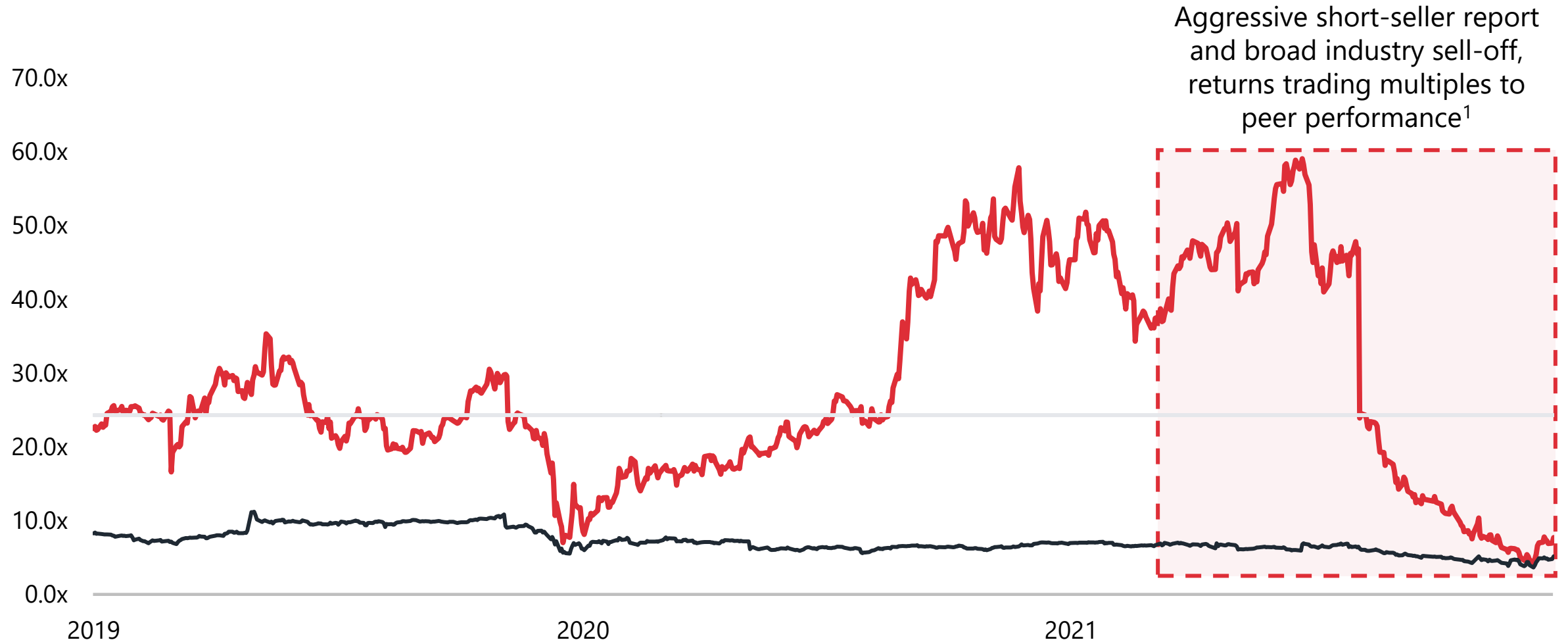
LSPD unadjusted LTM EBITDA (USD, \$M)



Appendix | Business overview | EV/Revenue from IPO to sell-off



— LSPD — LSPD Median — Peer median¹



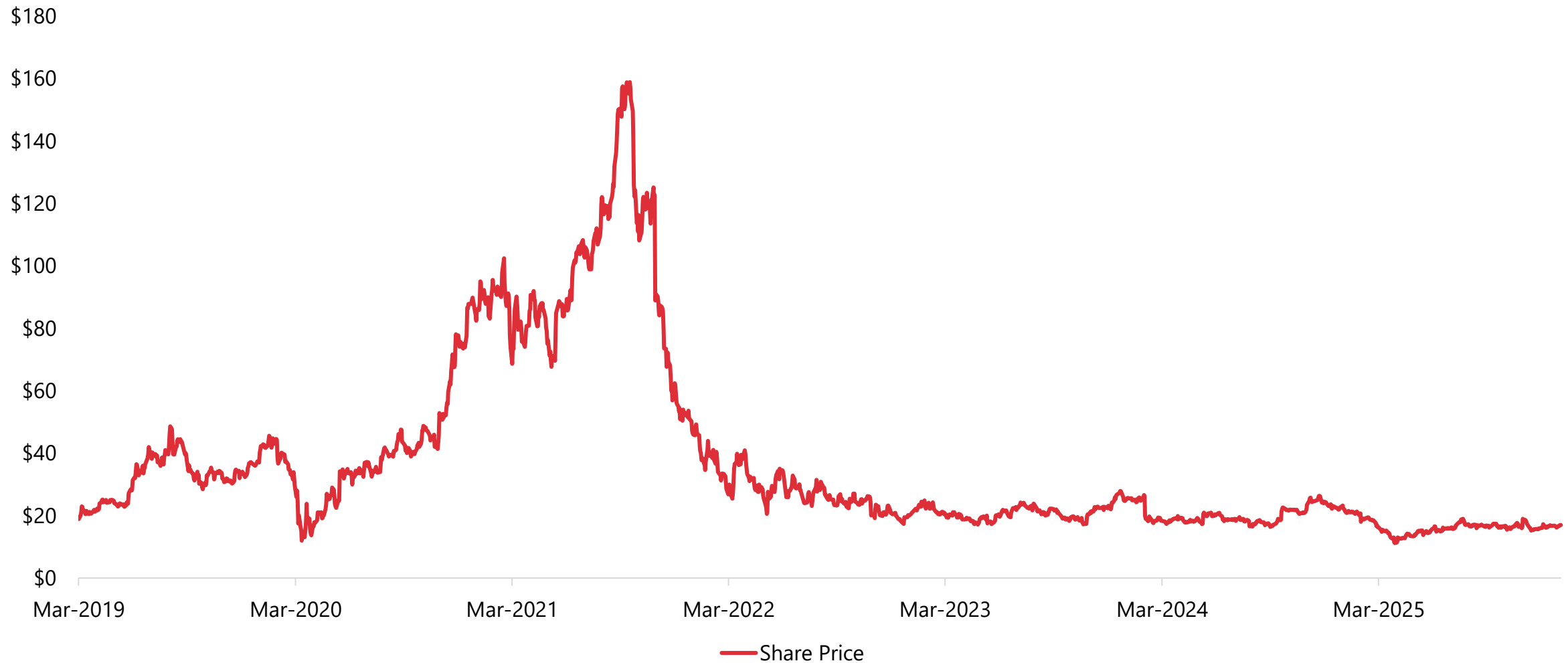
Source: Company Filings, Capital IQ | 1. Peer set includes Toast, Fiserv, Shift4, and Block



Appendix | Business overview | Historical stock chart



LSPD share price since IPO



Sources: Company Filings, CapitalIQ



Strengths



Strong inventory management capabilities



Strong local presence in EU hospitality from acquired companies

Opportunities



Market share gains from legacy PoS companies



Growing EU cloud PoS penetration

Weaknesses



Limited payments vertical integration



Poor management track record

Threats



Department store structural decline



Growing importance of e-commerce



Competition	<p>High</p> <ul style="list-style-type: none">• Cloud PoS market is dominated by well-capitalized, scaled players with a long tail of regional players• Core PoS functionality is largely commoditized resulting in differentiation through heavy discounting of hardware and vertical specific focus
Threat of New Entrants	<p>Moderate</p> <ul style="list-style-type: none">• There is a long tail of smaller PoS companies due to low software development costs as developers can use third party payment processors and cloud servers reducing upfront investment• Threat is lowered as incumbents have larger salesforces, vertical specialization, and greater discounts
Bargaining Power of Buyers	<p>High</p> <ul style="list-style-type: none">• Small merchants are highly cost conscious, often buying hardware at a heavy discount, and large merchants demand lower take rates due to the high number of PoS companies within the industry• Moderate switching costs due to costly downtime to retrain staff on a new PoS system
Bargaining Power of Suppliers	<p>Moderate</p> <ul style="list-style-type: none">• Third party payment providers hold substantial power due to the consolidated nature of the industry and high barriers to entry• Bargaining power of payment suppliers is limited by government regulations
Threat of Existing Substitutes	<p>Moderate</p> <ul style="list-style-type: none">• There is high threat of substitutes for smaller customers with little need for vertical specific features• Moderate switching costs due to costly downtime to retrain staff on a new PoS system• While PoS platforms offer similar services, most scaled players have strong specializations in niches

Appendix | Business overview | Key performance indicators



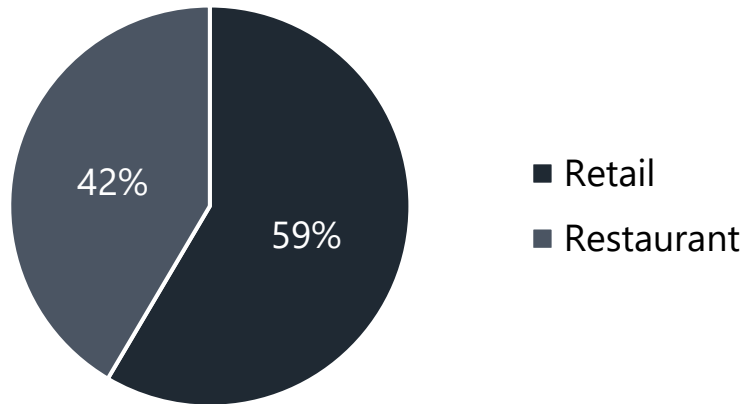
Term	Description
Average Revenue Per User ("ARPU")	Total subscription revenue and transaction-based revenue (excluding revenue attributable to standalone eCommerce sites) divided by the average number of Customer Locations active during that period
Customer Locations	A billing location / brand that LSPD / NuORDER is servicing or in the process of negotiating a renewal with A single unique customer can have multiple Customer Locations if it has multiple physical sites or multiple NuORDER subscriptions
Gross Transaction Volume ("GTV")	Total dollar value of all transactions processed through LSPD's cloud-based software-as-a-service (SaaS) platform during a reporting period excluding amounts processed through the NuORDER solution ¹
Gross Payment Volume ("GPV")	Total dollar value of transactions processed through LSPD's payments solutions in a period in which LSPD acts as the principal in the arrangement with the customer excluding transactions processed via the NuORDER solution ¹
Payments penetration	GPV as a percentage of GTV

Sources: Company Financials, Public Filings | 1. Measured net of refunds and includes shipping and handling, duty, and value-added taxes.

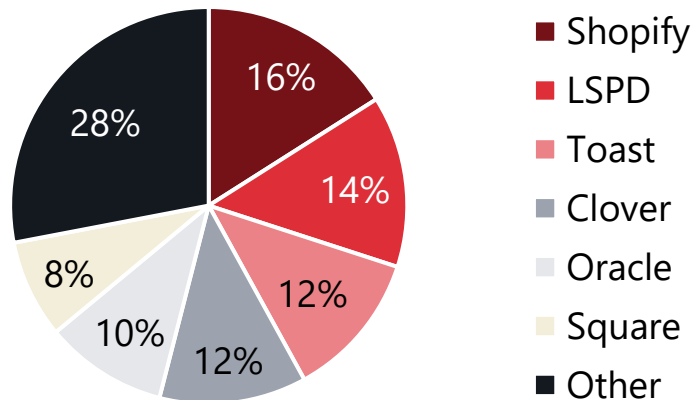


Overview of sample (n=52)

What vertical are you a part of?



What PoS system do you currently use?



Key quotes from customers

“I like that our PoS system is connected to our online shop and that it shows our inventory levels”
– Outdoor Gear Store Owner

“Our front-end staff love Shopify PoS because of how easy it is to use”
– Director of IT, Anonymous Retail store

“We like Toast because it lets us edit the bill on the terminal which is huge compared to LSPD”
– Tavern Owner

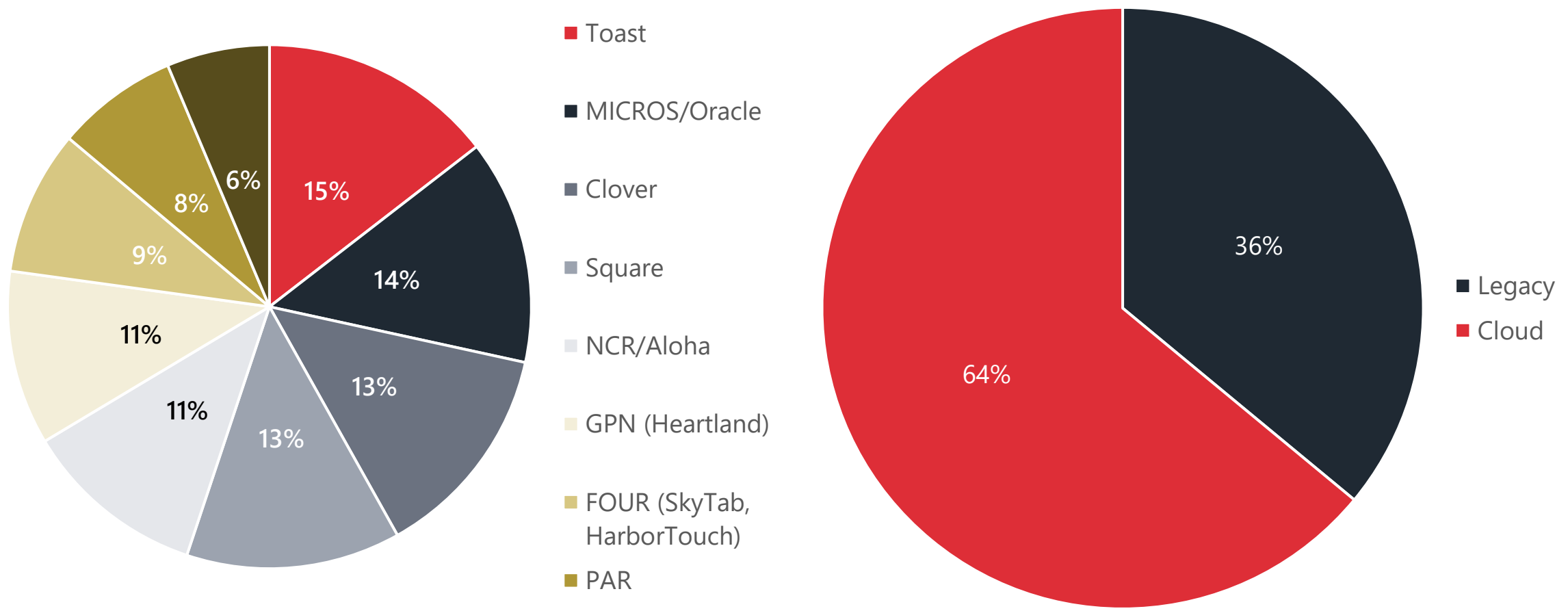
Key features for customers

All operations in one PoS	Ease of use	Vertical specific functionality	Reliability
Emerging customer need			



US F&B PoS market share (individual companies)

US F&B PoS market share (legacy vs cloud)



Market share by revenue



Industry leader strategy

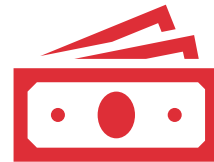
Most major PoS companies share the same key goals



International Expansion



Integrated Payments



Profitability



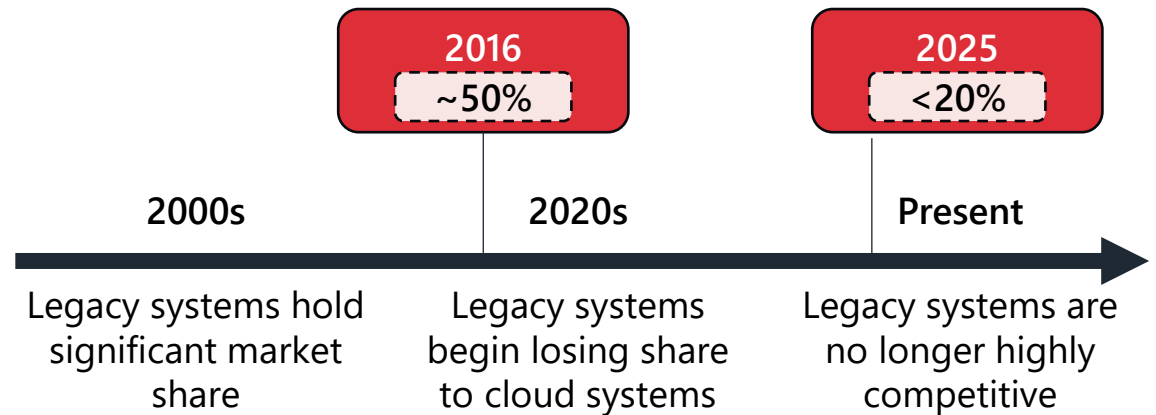
"We think Western Europe is a really good opportunity in the near term."

– Aman Narang, Toast Co-Founder & CEO, Sep. 2025

Increasing competition in European hospitality

Legacy player strategy

Top 2 Legacy PoS System Market Share Over Time








"If you look at primarily like new restaurant openings, NCR [Aloha, legacy system] is not really in the picture."

– Former Toast Marketing Manager, Oct. 2025

Attempting to catch up by investing in cloud capabilities



Peer	PoS / Software	PayFac / Acquirer	Processor	Issuing Cards
	✓	✓		
	✓	✓	✓	
	✓	✓	✓	
	✓			
	✓	✓		



Also has financial services (Cash App, lending)

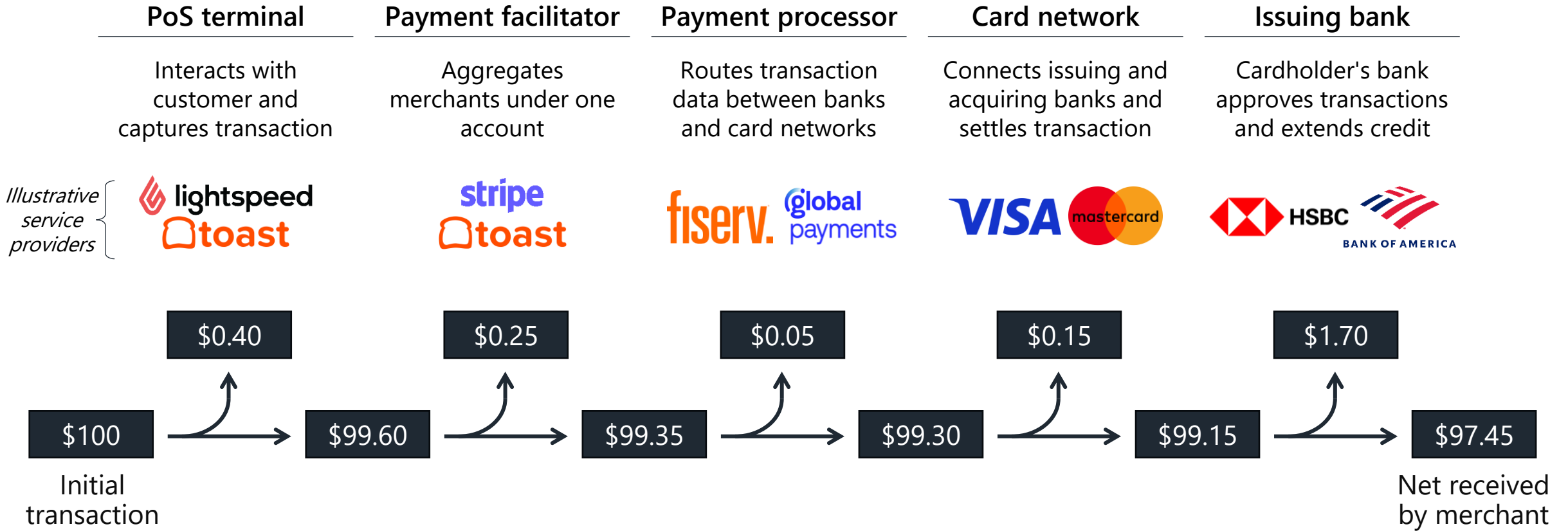


Stronger pricing/distribution leverage and payments economics

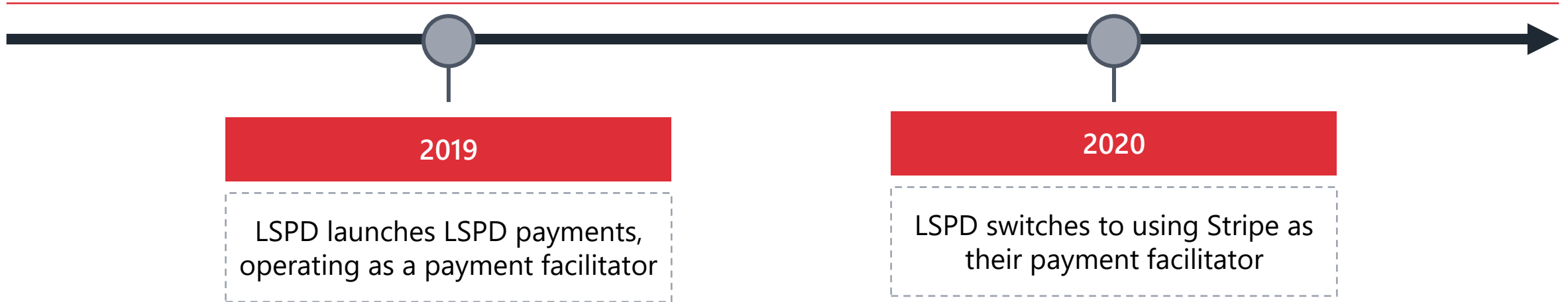


Most similar models

Appendix | Industry overview | Payments value-chain



LSPD's peers participate in more of value chain and earn more per-transaction by acting as a **payment facilitator** (i.e., Toast) or through **relationships with payments companies** (i.e., Fiserv owns Clover and FirstData, Block owns Square)



Why LSPD switched to Stripe



Geographical capabilities

Prior to adopting Stripe, LSPD Payments was limited to the U.S. Partnering with Stripe enabled faster expansion into Canada, as Stripe assumed the regulatory and operational requirements



Omnichannel expansion

Stripe enabled LSPD to support omnichannel payments using its technology stack (Stripe Terminal for in-store transactions; Stripe Connect for online payments)



LSPD Capital expansion

Stripe allowed LSPD to create LSPD Capital via Stripe Capital



Commercial Points

Customer

- Uses card, wallet, ACH, BNPL to pay.
- Ultimately funds the purchase via deposit account or credit line.

Merchant

- Accepts payment online, in-app, in-store, by invoice, or recurring billing.
- Receives net settlement after fees, chargebacks, reserves, and adjustments.

Acceptance and Distribution

POS / Checkout Layer

- Captures payment credentials and transaction details.
- Passes payment data to gateway / processor / PSP.

Payment Gateway

- Encrypts / tokenizes card and payment credentials.
- Routes authorization request to processor or acquirer stack

PayFac / Merchant Acquirer

- Bundles gateway, processing, onboarding, risk, reporting, and settlement support
- Boards sub-merchants under a master MID in a payfac model
- Abstracts complexity for SMBs and software platforms

Commercial Points

Processor

- Formats and switches transactions for card, debit, ACH, alternative payments, or local rails
- Handles authorization, clearing, batching, reconciliation, and file generation
- May sit with acquirer, gateway, or PSP depending on model

Merchant Bank

- Sponsors merchant into card networks and underwrites acceptance risk
- Receives funds from issuer side and settles merchant proceeds
- Manages chargeback liability, reserves, compliance, and pricing

Card Network

- Examples: Visa, Mastercard, Amex, Discover; plus domestic debit schemes
- Carries authorization, clearing, and settlement messages between acquirers and issuers
- Sets network rules, interchange framework, and dispute standards

Issuer

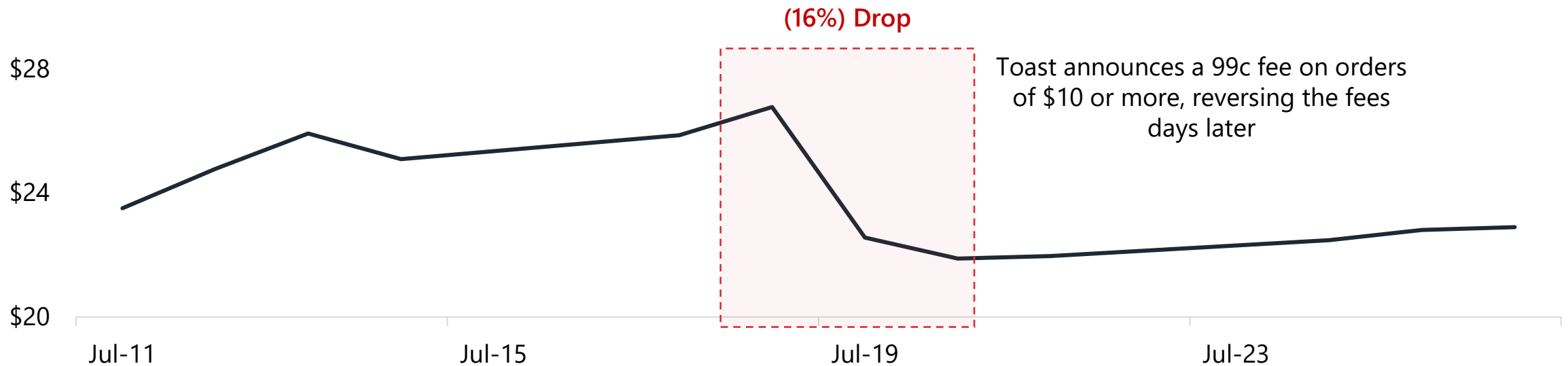
- Provides card, account, or credit to consumer
- Approves or declines based on balance, fraud, risk, and credentials
- Bills consumer and funds network settlement obligations



Competitor pricing overview

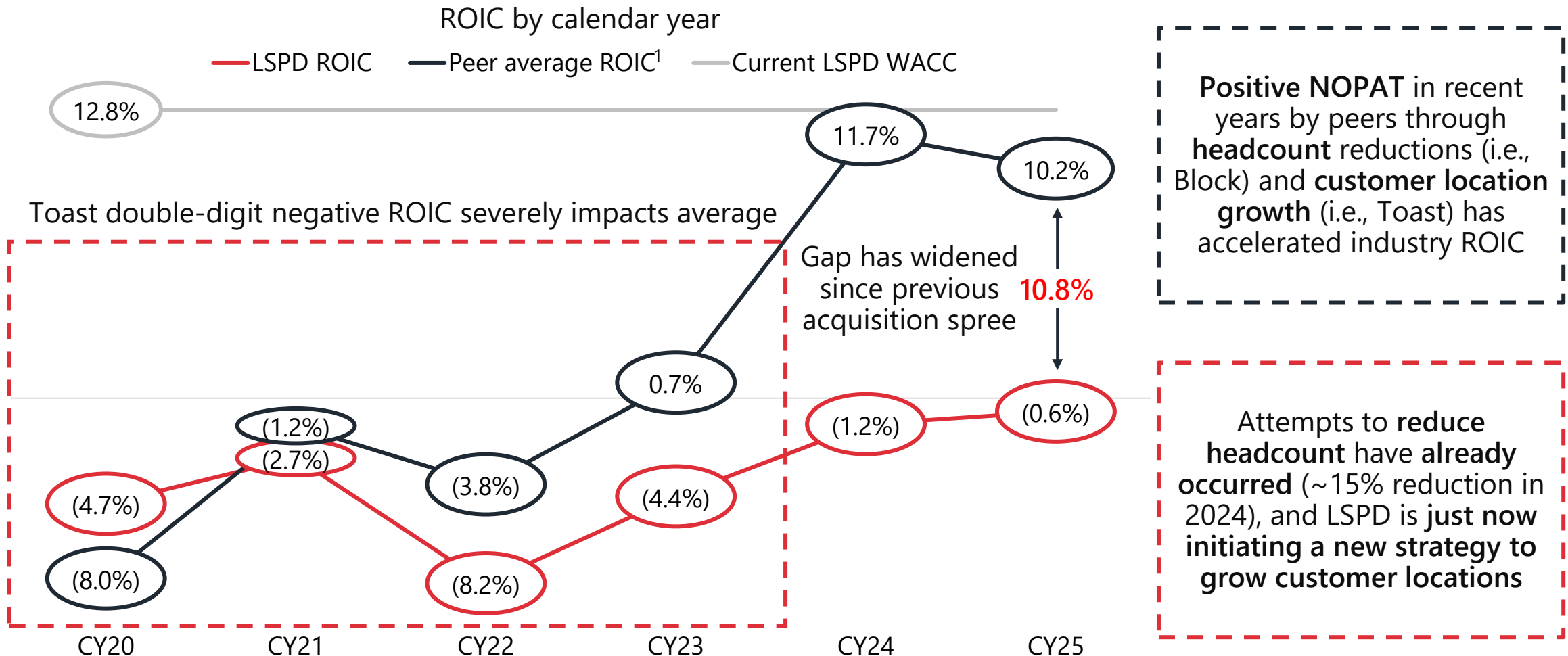
Provider	Monthly Software Fee	In-Person Processing Rate	Contract / Lock-in
Toast	\$0 (Starter) / \$69 (Core)	3.09% + 15¢ / 2.49% + 15¢	2-year; proprietary hardware
Square	\$0 (Free) / \$49 (Plus)	2.6% + 15¢ / 2.5% + 15¢	No contract; month-to-month
Clover	\$135+ (QSR) / \$14.95 (Retail)	2.3% + 10¢ to 2.6% + 10¢	36-month; proprietary hardware
Lightspeed	\$69+ (Essential)	2.6% + 10¢	Annual; proprietary hardware

Stock price reactions to Toast pricing changes





LSPD negative return on invested capital ("ROIC") lags peers



1. Peer set includes Toast, Fiserv, Shift4, and Block

Sources: Company Financials, Competitor Financials



Forbes | February 27, 2026

Block stock pops 16% on 40% layoffs

40% Workforce reduction
~4,000 of 10,000+ employees cut

AI Key driver
AI automation

↑ Market reaction
Stock rose ~40% on announcement

CBCNEWS | April 3, 2024

Lightspeed Commerce cutting 280 jobs, as it aims for profitable growth

9% Workforce reduction
~280 of ~3,000 employees (3rd round since 2023)

⚙️ Key driver
Trimming down excess workforce built up after acquisitions to focus on profitable growth

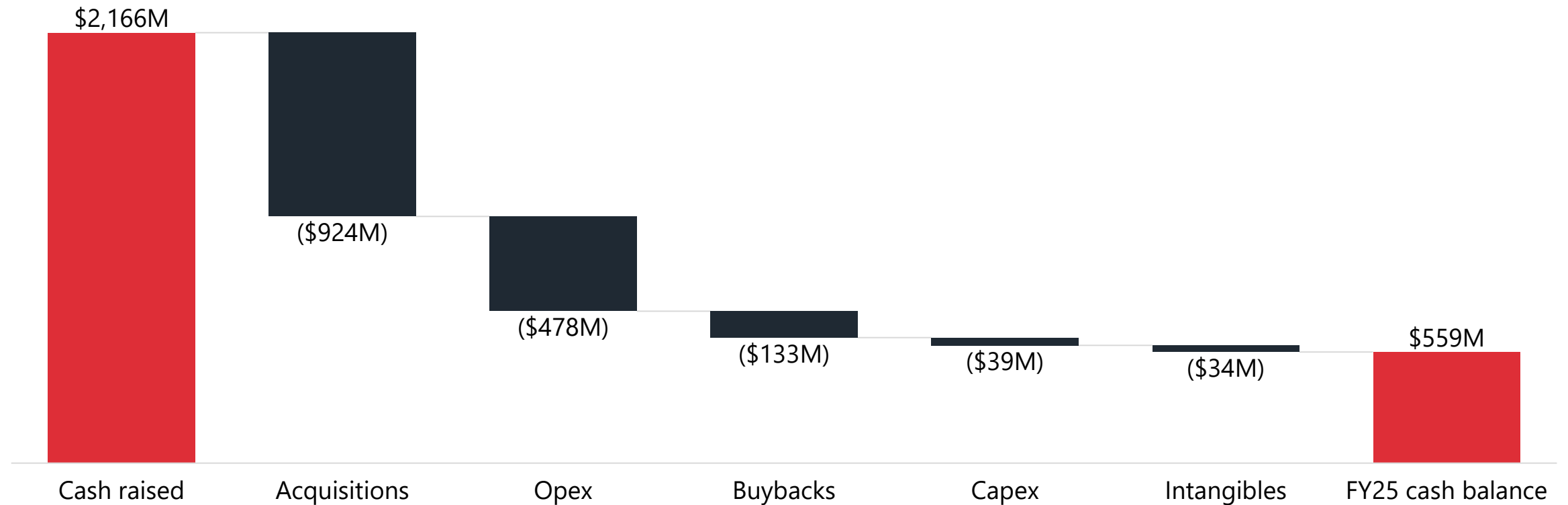
↓ Market reaction
Stock fell ~6% on announcement

- These layoffs are unrelated – Block was driven by AI efficiencies while LSPD was to cut a bloated salesforce from acquisitions It is **unlikely Lightspeed could replicate** Block's approach as it is actively hiring to ramp up its outbound sales force



Cash raised has been largely used to fund acquisitions

Primarily comprised of \$1,8145M raised in FY21 and FY22 subsequent offerings, when LSPD was trading at all time highs





Q2 FY17 | November 2016

"We have been really good at growing our company through acquisitions. I think going public allows us to further that strategy and continue to build and grow all around the world. That is one of the definite benefits."

Q2 FY20 | November 2019

"Convergence [of platforms] is something that we are approaching aggressively. We're already moving in the direction. And so I think you're going to see timelines that are not multiple years."

Q2 FY20 | November 2019

"The way that we build software at Lightspeed is using microservices, and we can bring together the best technologies into a reference platform that's the most competitive globally. And that's the strategy."

Q4 FY21 | May 2021

"We will continue to be active with M&A. [...] I think you can expect active M&A but not within the same categories that we've had in the last year."

Appendix | Thesis 1 | Precedent transactions from FY20 to FY22



Date	Acquiror	Target	Target description	EV	Revenue	EV / Revenue
Mar 2022	Shift4	Finaro	EU payments provider	\$585	\$150	3.9x
Feb 2022	Integrum Holdings	Merchant e-Solutions	Payment processing platform	\$290	\$41	7.1x
Dec 2021	Thoma Bravo	Bottomline Technologies	Software for business-to-business payments, invoicing, and fraud prevention	\$2,616	\$409	6.4x
Dec 2021	Kofax, Inc.	Tungsten Corporation	Global digital network for electronic invoicing and business process automation	\$75	\$50	1.5x
FY22 Total				\$3,566	\$650	5.5x
Feb 2021	Tyler Technologies	NIC	Digital government services provider and secure payment solutions for agencies	\$2,300	\$460	5.0x
Oct 2020	Kaufman Hall	Changes connected analytics unit	Data analytics optimizing financial and clinical performance for healthcare	\$55	\$50	1.1x
May 2020	NEC Corporation	Avaloq Group	Provides cloud-based banking software and digital wealth management solutions	\$2,239	\$589	3.8x
FY21 Total				\$4,594	\$1,099	4.2x
Jul 2019	ACI Worldwide	Speedpay	Electronic bill presentment and payment platform for various business sectors	\$750	\$218	3.4x
May 2019	FIS	Worldpay	Integrated omni-channel payment processing and merchant technology services	\$35,000	\$3,877	9.0x
Apr 2019	Fiserv	First Data	Global provider of commerce-enabling technology and payment processing solutions	\$46,675	\$9,498	4.9x
FY20 Total				\$82,425	\$13,593	6.1x

Sources: Company Financials, Public Filings

Appendix | Thesis 1 | LSPD transactions



At time of transaction, acquisitions were accretive based on LSPD stock performance

Announcement Date	USD, \$M	EV	Revenue	EV / Revenue	LSPD EV/ NTM Revenue
Jun-07-2021	Ecwid	\$500	\$20	25.0x	19.6x
Jun-07-2021	NuORDER	\$425	\$20	21.3x	19.6x
Mar-11-2021	Vend	\$350	\$34	10.3x	24.3x
FY22 Total		\$1,275	\$74	17.2x	
Dec-01-2020	Upserve	\$430	\$40	10.8x	24.5x
Nov-05-2020	Shopkeep	\$440	\$50	8.8x	18.0x
Jan-07-2020	Gastrofix	\$101	\$13	8.2x	16.5x
FY21 Total		\$970	\$103	9.5x	
Oct-20-2019	Kounta	\$43	\$6	6.7x	16.0x
FY20 Total		\$43	\$6	6.7x	
Total		\$2,289	\$183	12.5x	
<i>Less impairments</i>		<i>\$984</i>	<i>\$183</i>	<i>5.4x</i>	

Appendix | Thesis 1 | Market reaction to LSPD acquisitions



1 May 30, 2019 | Chronogolf
LSPD stock price drops 1.1%

2 July 17, 2019 | iKentoo SA
LSPD stock price rises 1.2%

3 October 20, 2019 | Kounta
LSPD stock price drops 0.4%

4 January 7, 2020 | Gastrofix
LSPD stock price rises 8.6%

5 November 5, 2020 | Shopkeep
LSPD stock price rises 16.3%

6 December 1, 2020 | Upserve
LSPD stock price rises 0.7%


7 March 11, 2021 | Vend
LSPD stock price rises 9.9%


8 June 7, 2021 | NuORDER
LSPD stock price rises 0.6%


8 June 7, 2021 | Ecwid
LSPD stock price rises 0.6%




Acquisitions to enter new geographies


 July 17, 2019
Hospitality PoS based in Switzerland

 October 20, 2019
Hospitality PoS based in Australia


 January 7, 2020
Hospitality PoS based in Germany


 November 5, 2020
Hospitality and retail PoS based in U.S.

 December 1, 2020
Hospitality PoS based in U.S.

 March 11, 2021
Retail PoS based in Australia

Acquisitions to enter new verticals




 May 30, 2019
Golf course software based in Canada

 June 7, 2021
Wholesale ordering based in U.S.

 June 7, 2021
eCommerce platform based in U.S.



Transaction

 <p>Acquired</p>  <p>From</p> 	Upserve metrics	Entry (2020)	Exit (2026)
	GTV	\$6B	\$5B
	Customer locations	7.0K	3.2K
	Revenue	\$40M	\$140M
	Gross profit (margin)		\$26M (19%)
	EV	\$430M	\$81M
	EV/Revenue	10.8x	0.6x

Overview: Skyview Equity is a Miami and Los Angeles based PE firm focused on LMM acquisitions of corporate carveouts, special situations, and underperforming assets

Leadership: Only listed employee is Matt Thompson

Core verticals: Technology and tech-enabled services, mission-critical software, and industrials

Matt Thompson



Private Equity Advisor (Oct 2025 to Present)
Focusing on TMT M&A carveouts and buyouts



Chief Strategy Officer (Oct 2025 to Present)
Structured and negotiated LBO of Upserve

Nov 2009 to Sept 2025

Various roles in Private Equity and Corporate Development / Strategy across the following firms





Firm overview



Los Angeles-based PE firm focused on providing capital and operational expertise in special situations private equity transactions and corporate divestitures

\$400M+
AUM

17
Acquisitions completed`

2
Current acquisitions

Investment criteria

Investment Specialties: Corporate carveouts, special situations, add-on opportunities for PortCos

Revenue: \leq \$1B

EBITDA: \leq \$50M

Geography: North America & Europe

Target industries

Software & technology

Business services

Telecom

Food & beverage

Appendix | Thesis 1 | LSPD organic revenue breakdown



A Revenue from acquired companies

B Revenue from underlying LSPD
Calculated as C - A

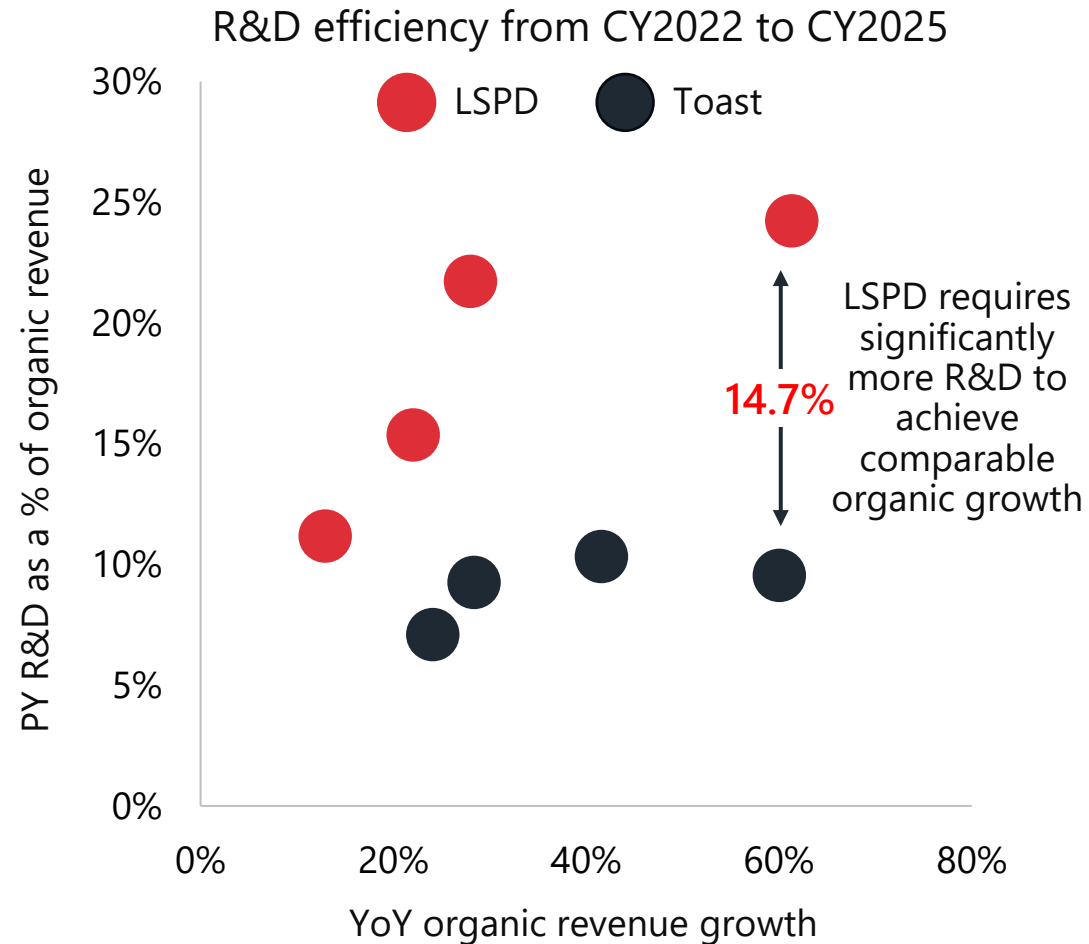
C Total LSPD revenue

	FY20	FY21	FY22	FY23	FY24	FY25	9M26
Kounta	3						
Gastrofix		13					
Shopkeep		25					
A Upserve		20					
Vend			34				
NuOrder			15				
ECWID			10				
B Organic	118	165	489	731	909	1,077	936
C Total LSPD	121	222	548	731	909	1,077	936

	2Y CAGR (FY20 to FY22)	3Y CAGR (FY22 to FY25)
B Organic	104%	21%
C Total LSPD	113%	21%



LSPD requires more R&D spend to generate the same revenue growth as peers



“Lightspeed Payments had some [technical] integration issues. After the acquisitions, it felt like we had 10 different LSPDs that didn’t mesh”

– Senior Engineer, Shopify (formerly LSPD)



“Integration is time and resource intensive; even after, the consolidated codebase will experience more bugs and require more maintenance”

– Senior Engineer, Fiserv

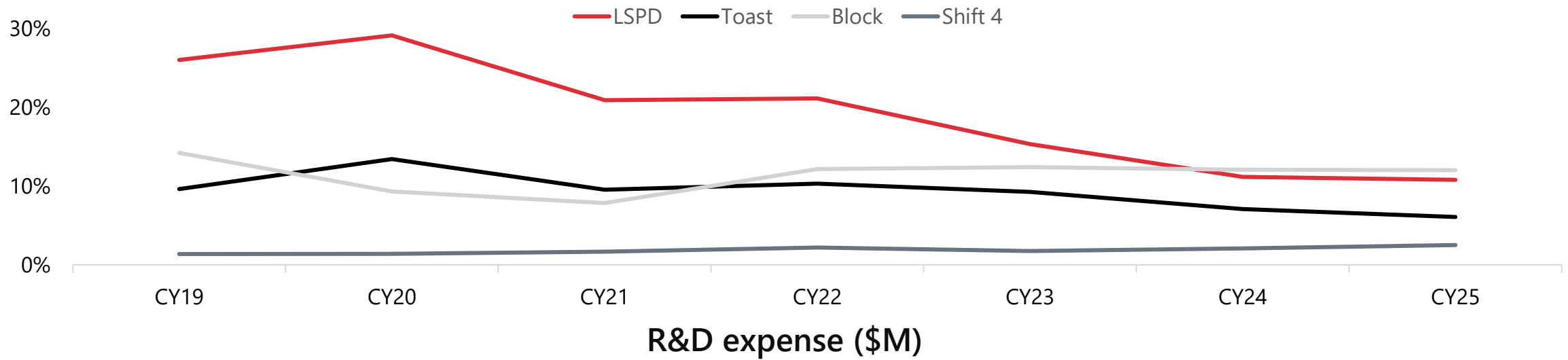




Future impacts

Elevated R&D is forecast to cost LSPD \$270M and drive a 3.2% negative impact on EBITDA margins



R&D expense as a percentage of revenue



	CY19	CY20	CY21	CY22	CY23	CY24	CY25
	28	51	101	146	133	118	129
	64	107	163	282	358	352	374
BLOCK	671	885	1,386	2,136	2,721	2,914	2,908
SHIFT ④	2	11	23	44	45	69	105

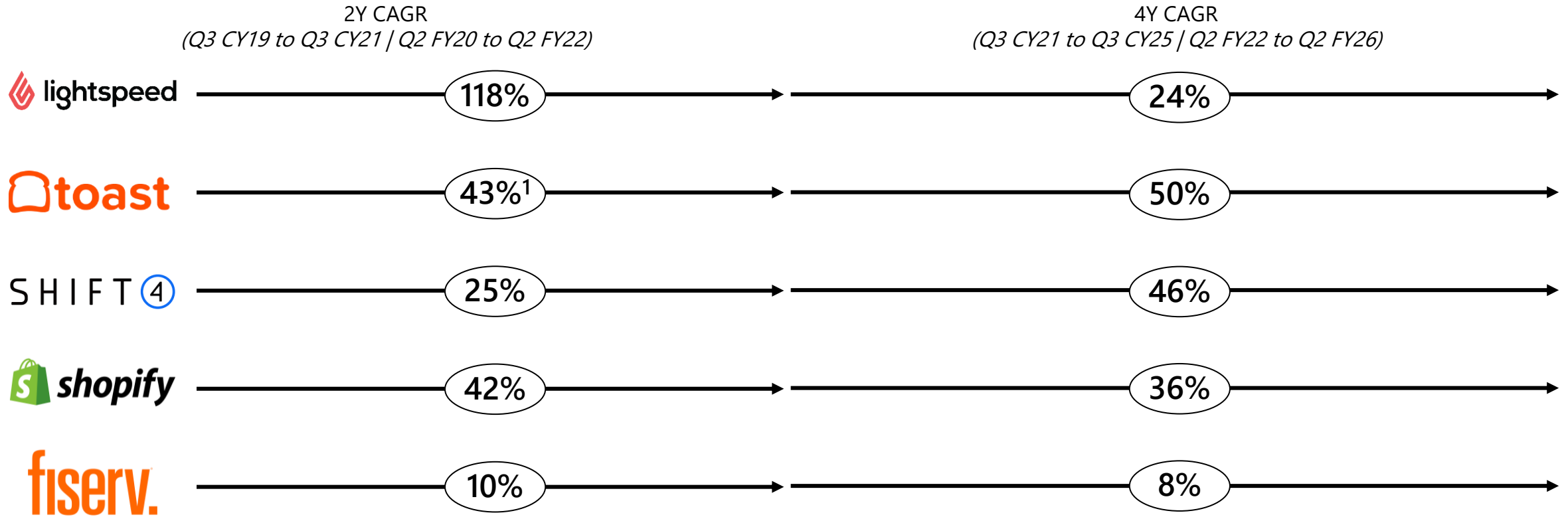
Sources: Company Financials, Public Filings

Appendix | Thesis 2 | LSPD revenue growth compared to peers



Acquisitions drove aggressive topline growth...

...which has tapered since last acquisition in Q3 FY22



LSPD now lags mature peers that are able to maintain both superior topline growth and profitability; as peers continue to advance, LSPD will be at risk of losing market share.

1. Toast 2Y CAGR is 1Y due to data limitations

Appendix | Thesis 2 | Sales timelines



'13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 '25 '26



2015

Outbound field sales from ~2015; SVP Sales hired at \$20M ARR (2017); 80/20 field/inside split, 140K locations by Q1 '25



2013

First Data bank/ISO distribution from 2013; Fiserv merger accelerated growth (2019); \$2.1B rev in '23, \$3.5B target for '25



2014

GTM since 2014; ISV/VAR partner network; SkyTab POS ~2020; 200K+ merchants



2020

European field sales built ~2020; raised \$1.6B in 2024 to expand; 613 sales staff, 30+ countries



2023

Purely self-serve/inbound until mid-2023; verticalized outbound teams



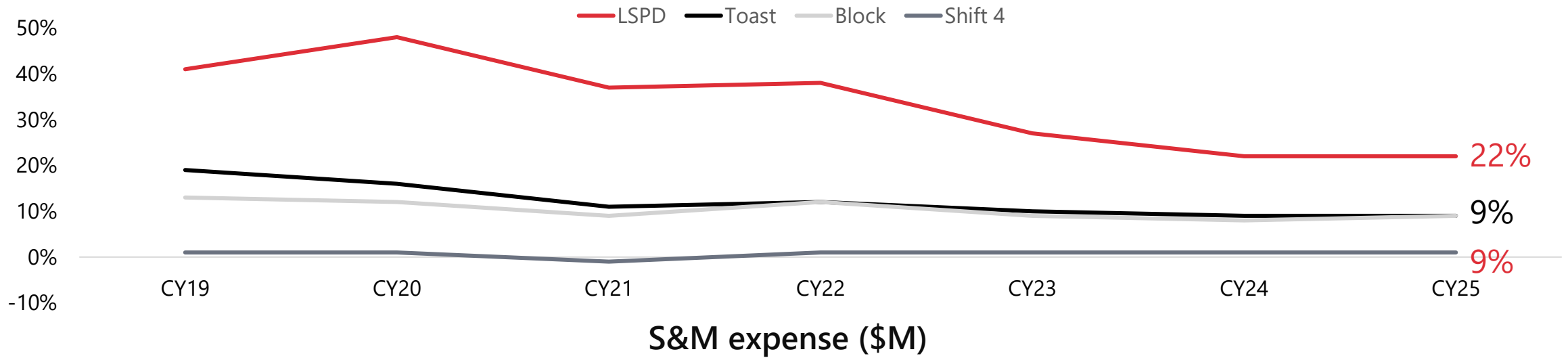
lightspeed 150-rep target by end FY2026 at March '25 CMD

2024



Outbound sales engines were built 7–10 years ago, with Square pivoting in 2023; Lightspeed is clearly behind peers



S&M expense as a percentage of revenue



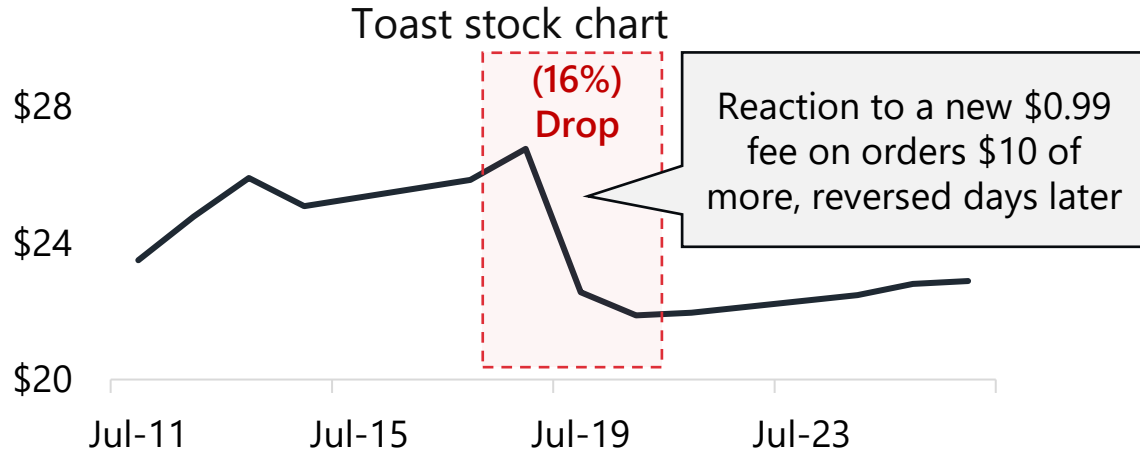
S&M expense (\$M)

	CY19	CY20	CY21	CY22	CY23	CY24	CY25
	43	83	181	260	233	235	265
 toast	128	131	189	319	401	471	571
BLOCK	625	1,110	1,617	2,058	2,019	1,984	2,273
SHIFT ④	6	4	-13	15	15	22	33

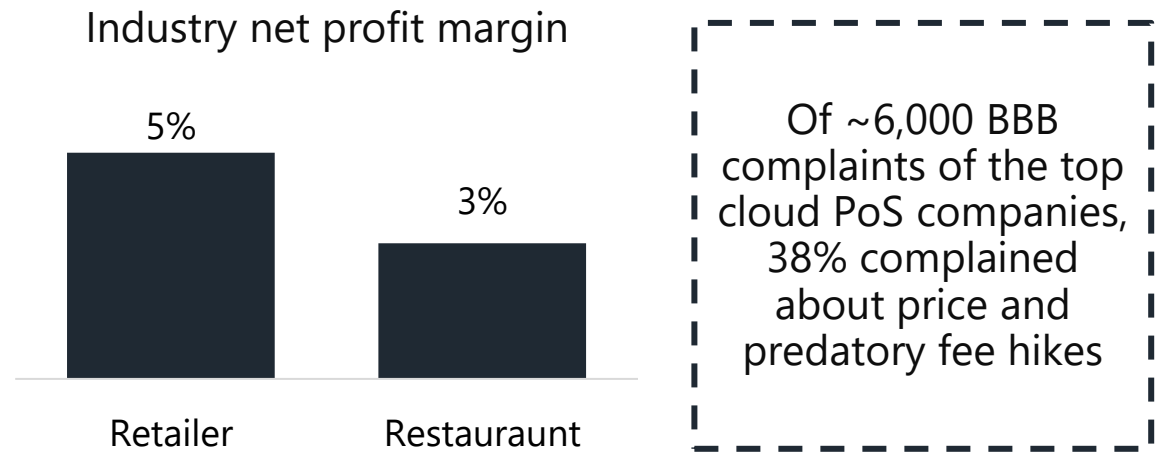
Sources: Company Financials, Public Filings



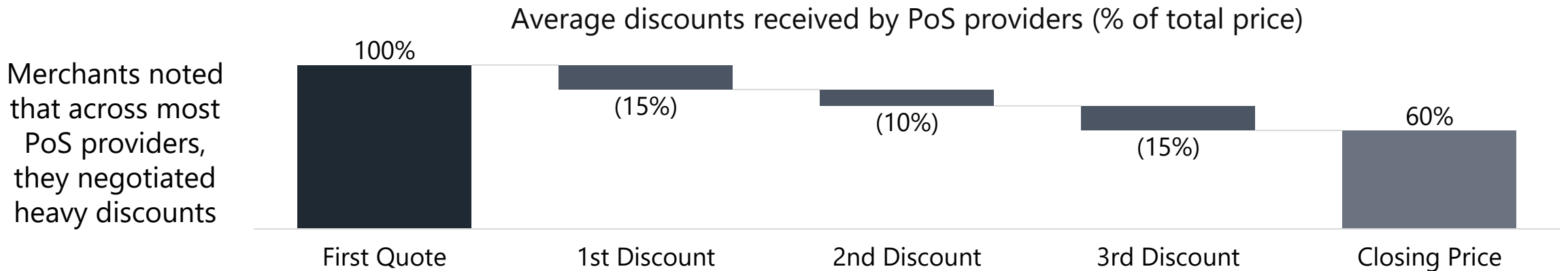
The market does not tolerate price hikes...



...as merchants cannot afford to spend more



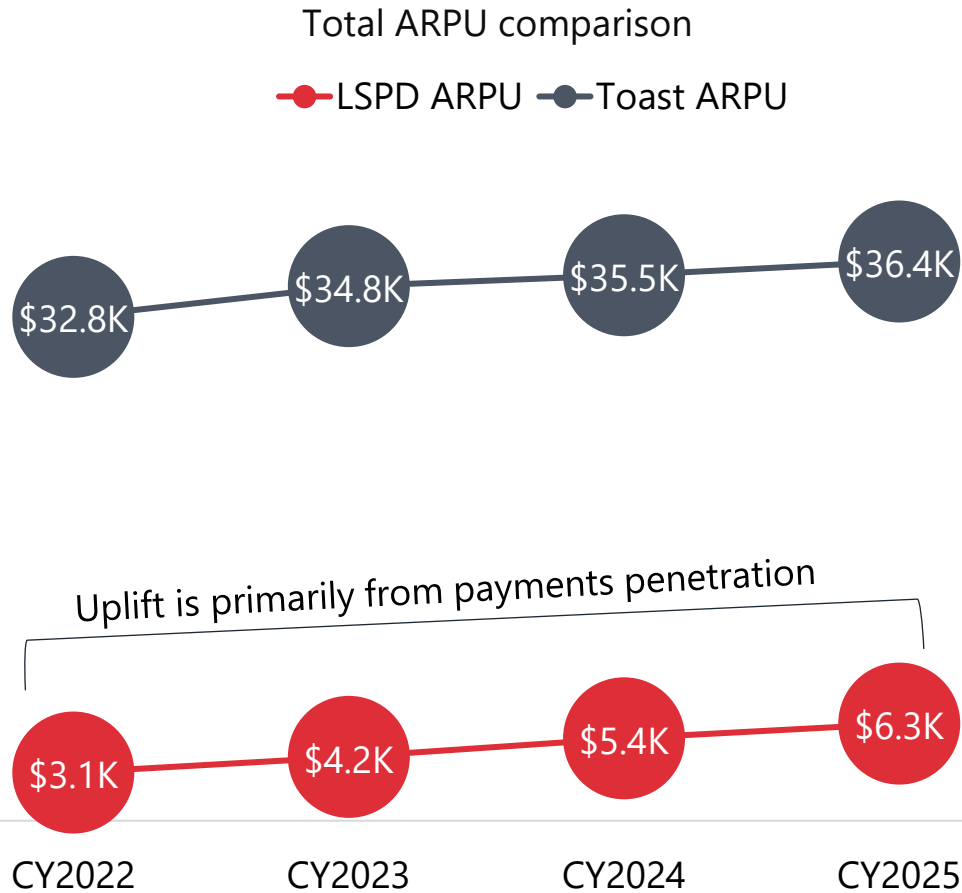
Merchants we talked to noted they negotiated significant discounts



Appendix | Thesis 2 | Historical ARPU growth



While LSPD has grown ARPU...



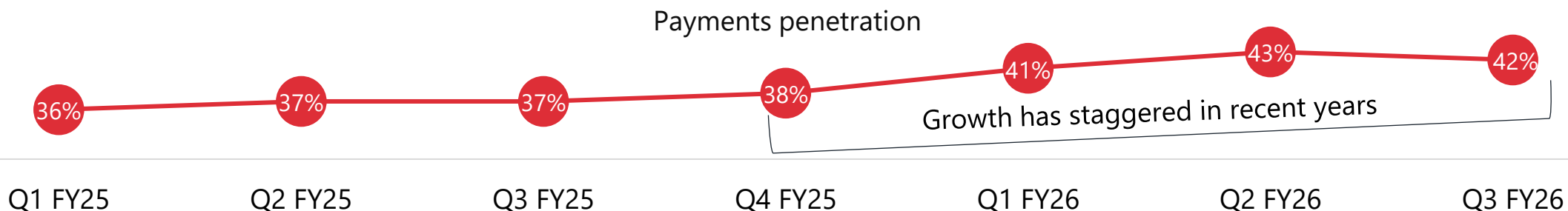
...it is from lower-margin transaction revenue

	Toast	LSPD
CY24 Revenue from ARPU increase	\$95M	\$195M
Gross Margins	75%	40%
Gross Profit	\$72M	\$75M

LSPD's ARPU growth is from forced adoption of payments, and limited cross-selling ability compared to Toast's organic ARPU growth from strong software cross-selling



Weak cross-selling is further proven by slowing payments penetration...



“As we rollout Lightspeed Payments, and are continually focused on larger GTV customers, we expect payments penetration to be closer to 50% by 2025”
 – LSPD Management, Q3 FY2023

...and a weak cross-sell of Lightspeed Capital

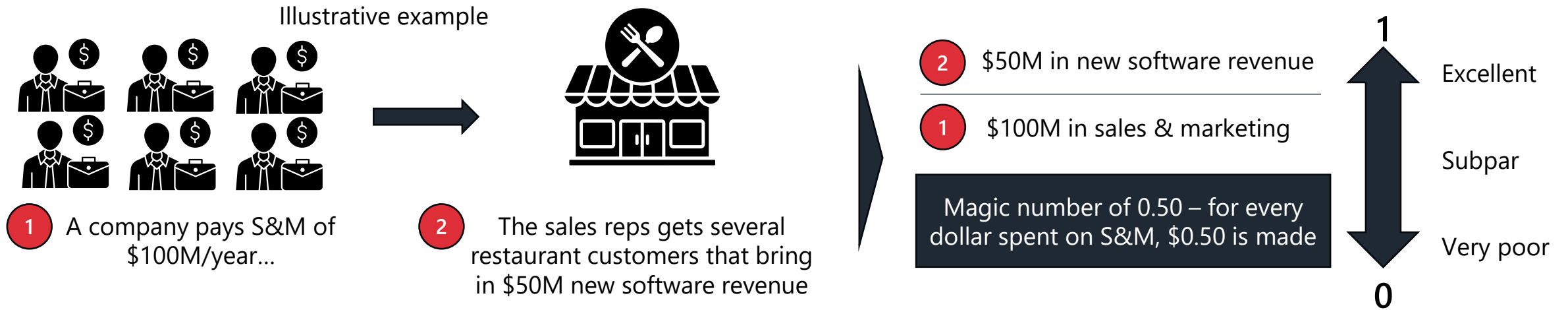
	Toast	LSPD
Total loan originations	~\$1B	~\$257M
Locations	134K	165K
Originations/location	~\$7.5K	~\$1.6K

LSPD lags Toast in product releases

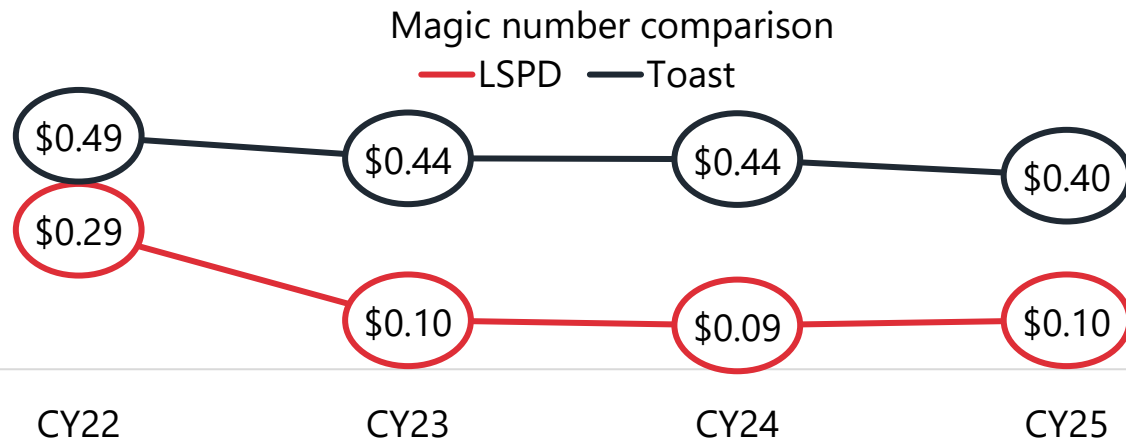
Product	Toast release	LSPD release
AI marketing tools	May-2024	Jan-2026
AI website builder	Jan-2025	Oct-2025
AI assistant	May-2025	Jan-2026
Avg. product release lag	9 months	



What is the sales magic number?



Implication on LSPD



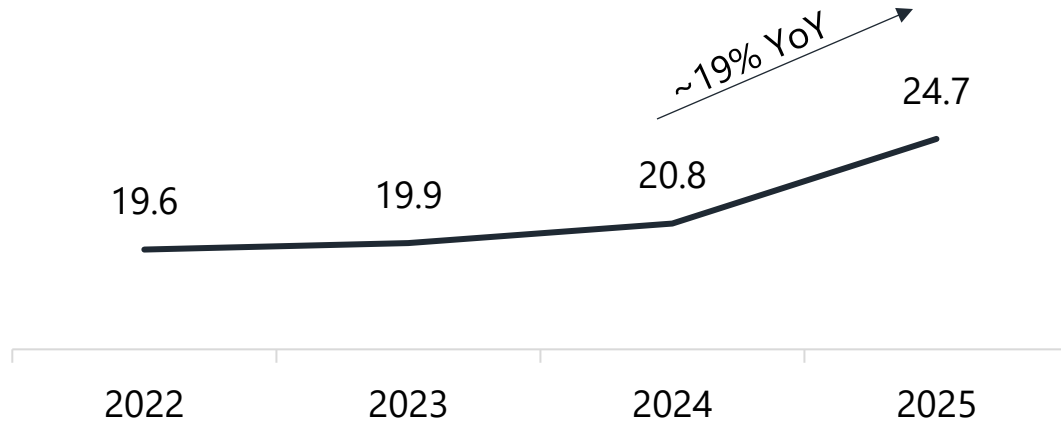
In hyper competitive markets like the PoS market, sales efficiency is hard to achieve as competition are out in the field taking customers as well. As Toast is a best-in-industry peer, even if LSPD were to match toast, they would still be inefficient with a 0.40 number, as the industry is that competitive



European PoS market is growing...

...and competitors serve many more customers

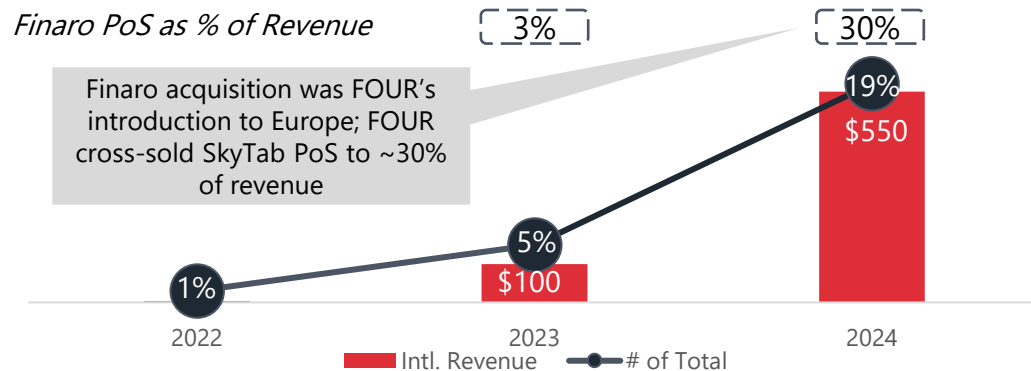
of PoS terminals in Europe (M)



Rank	Company	EU customer count	Rank	Company	EU customer count
1	sumup	~3.5M	4	4	~500k
2	SumUp	~600k	5	Shift4	~100k
3	Zettle by PayPal	~500k	6	SumUp	~45K

European success case study: Shift4

Shift4 International Revenue (\$M)



Q3 2025 "Adding 1,300 international restaurant and SMB wins per month"

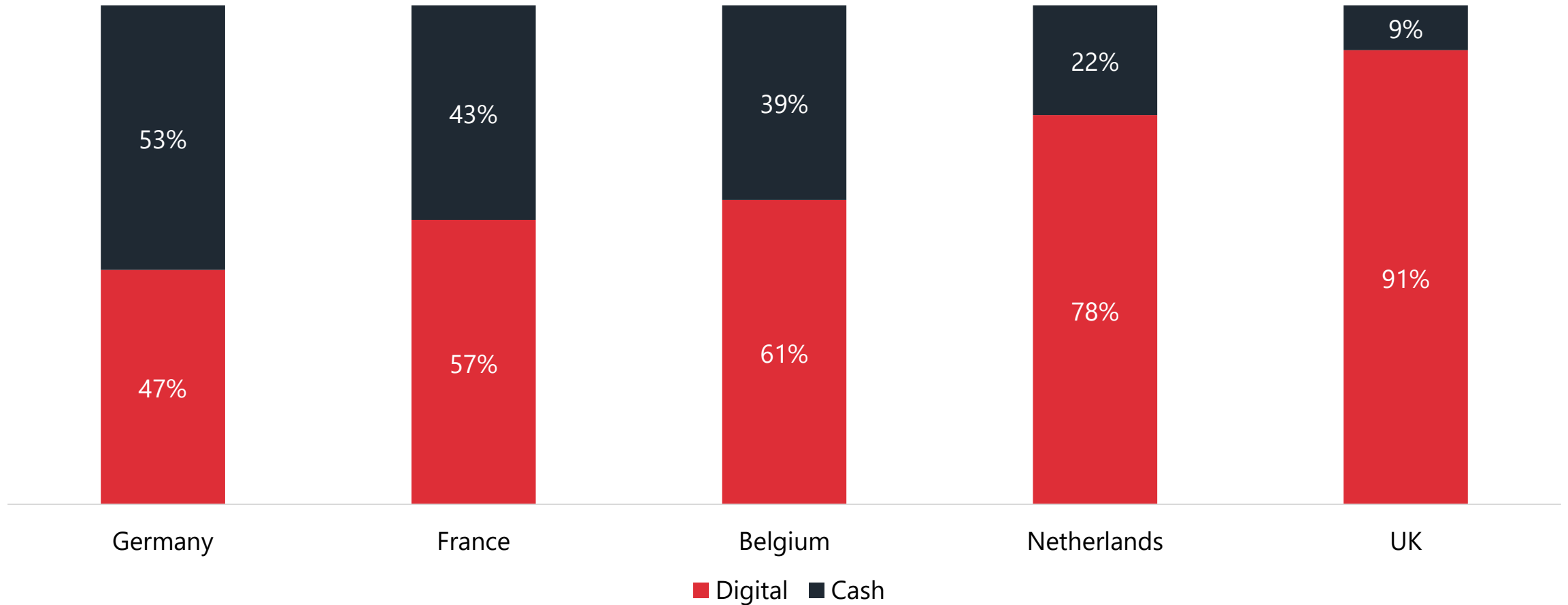
Q2 2025 "FOUR is installing SkyTab at a pace of ~3,000/quarter as of 2Q25"

Q1 2025 "signing up over 1,000 restaurants a month internationally"

Q4 2024 "hundreds of international restaurants with the broad launch to Vectron's 300-plus European dealer network yielding "hundreds of deals already signed up in January"



Digital vs. cash at PoS (% of transactions, 2024)

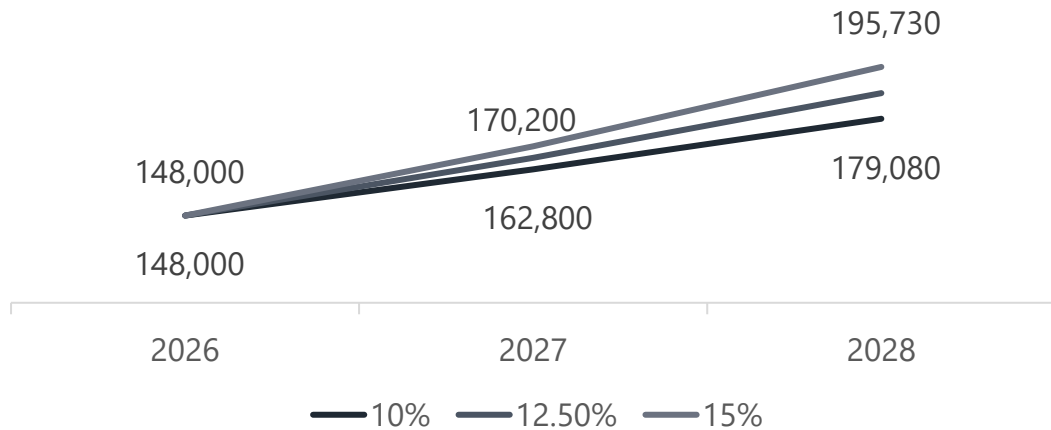


Eurozone avg. cash at PoS: 52%

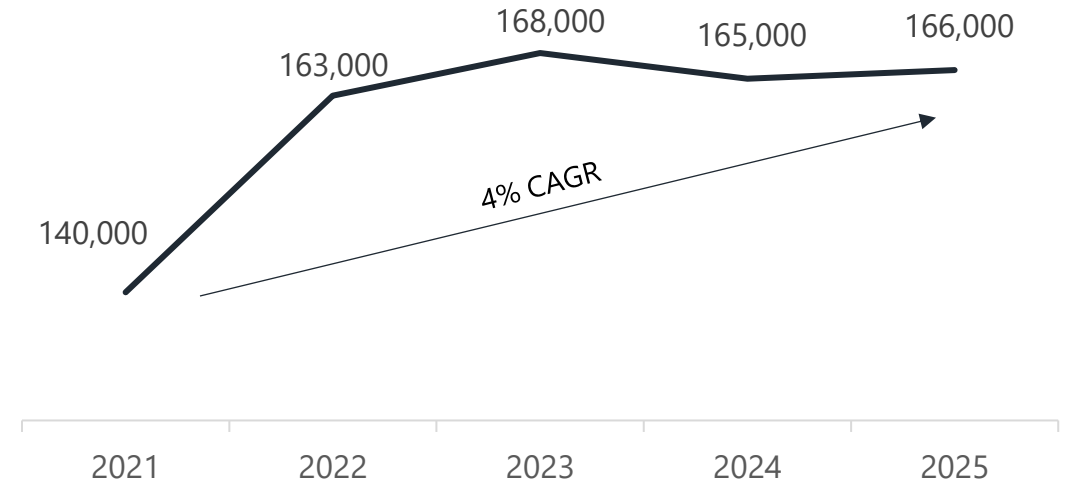
Appendix | Thesis 3 | Weak customer location growth



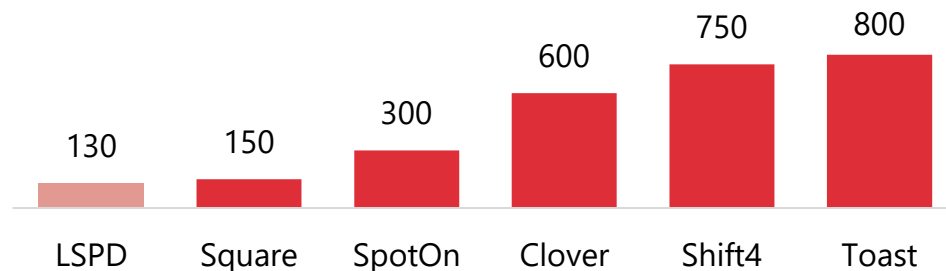
While 3-year guidance implies high location growth...



...LSPD historically has had weak location growth



LSPD's sales force lags the rest of the industry in size, and has to play catch-up ramping sales reps



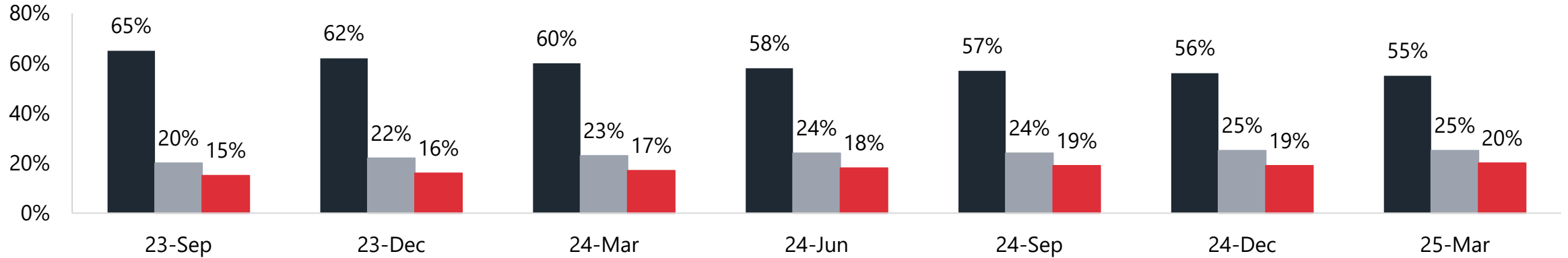
LSPD's sales team size will be amongst the lowest in the industry, and competitor sales teams are mature and do not need to ramp up like LSPD. Merchants will be constantly getting contacted by every PoS provider, making it even more difficult for LSPD to beat out competitors

Appendix | Thesis 3 | Customer GTV breakdown

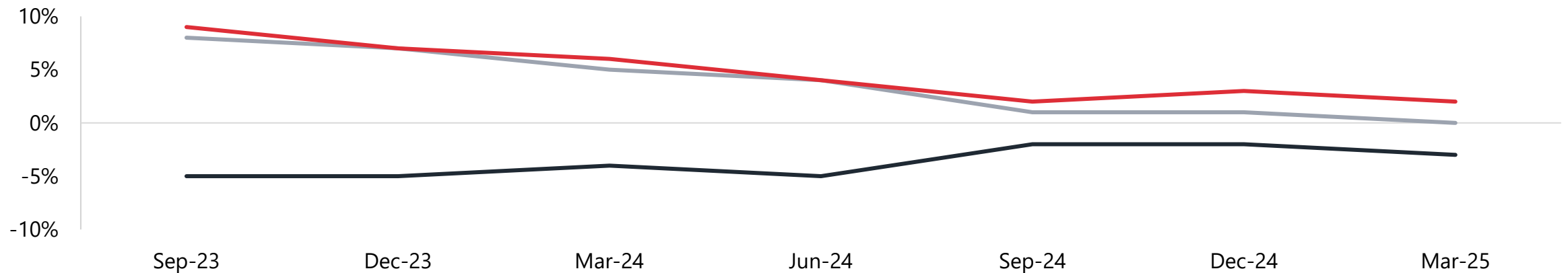


Customer Locations by GTV Breakdown

■ Under \$500k ■ \$500k - \$1M ■ Over \$1M



Customer Locations Growth Rate



Appendix | Thesis 3 | Customer GTV breakdown



Customer by GTV schedule							
Fiscal year	2024A	2024A	2024A	2025A	2025A	2025A	2025A
Fiscal year end date	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Implied Customers	180,627	178,747	178,036	175,992	175,332	175,172	172,733
Customer Locations by GTV							
Under \$500k	65%	62%	60%	58%	57%	56%	55%
\$500k - \$1M	20%	22%	23%	24%	24%	25%	25%
Over \$1M	15%	16%	17%	18%	19%	19%	20%
Customer Growth Rate							
Under \$500k	(5%)	(5%)	(4%)	(5%)	(2%)	(2%)	(3%)
\$500k - \$1M	8%	7%	5%	4%	1%	1%	0%
Over \$1M	9%	7%	6%	4%	2%	3%	2%
Implied Customers by GTV							
Under \$500k	117,408	111,102	106,719	101,822	100,101	98,537	95,426
\$500k - \$1M	36,125	38,654	40,587	42,210	42,632	43,059	43,059
Over \$1M	27,094	28,991	30,730	31,959	32,598	33,576	34,248

Sources: Company Financials, Competitor Financials, CapitalOne, Statista

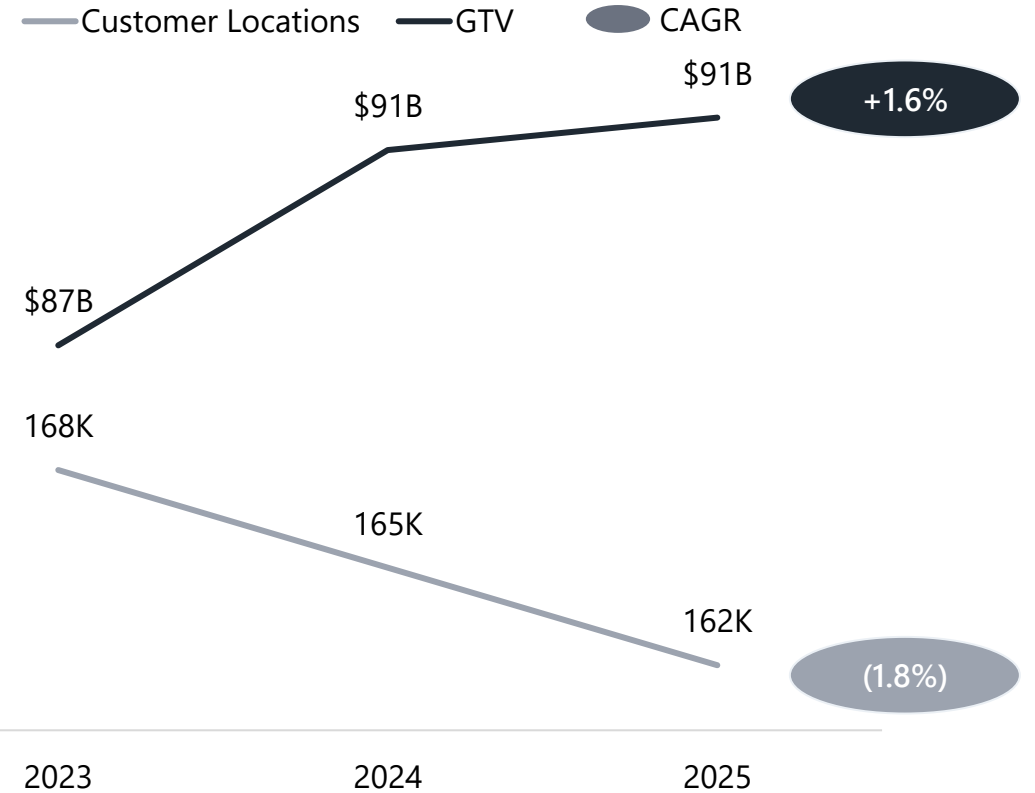
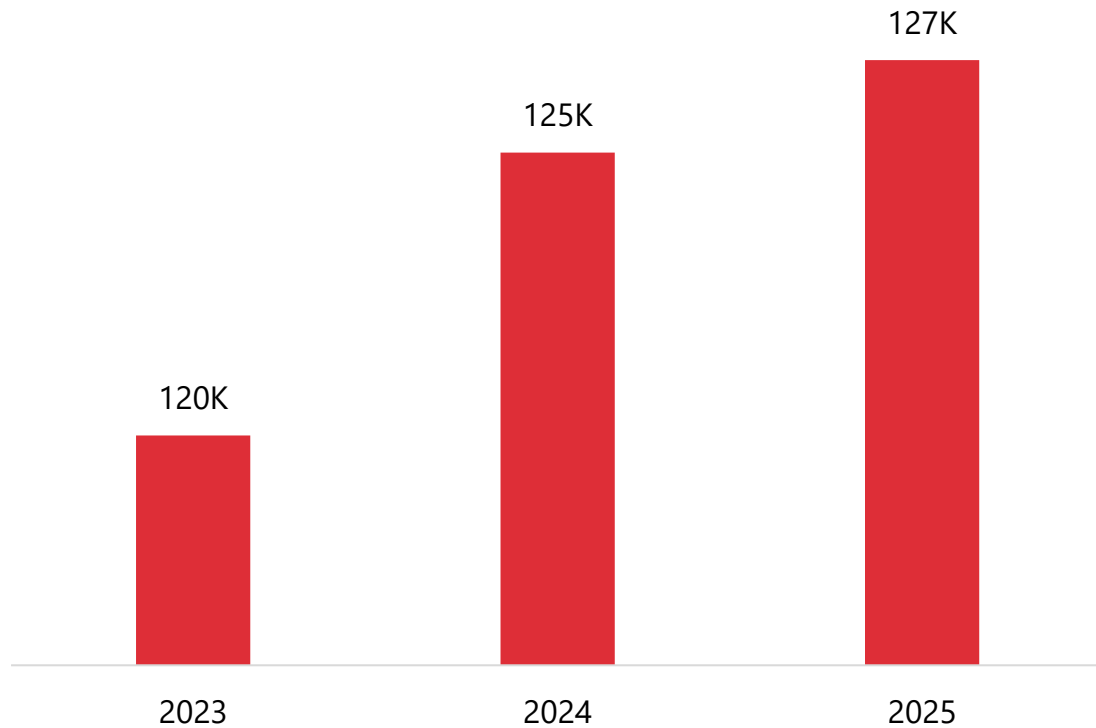
Appendix | Thesis 3 | LSPD transition to higher GTV customer locations



LSPD has successfully increased average GTV per Customer Location, reflecting their shift in target...

...however, increase in GTV and decrease in customer locations contribute equally to this trend

■ GTV per Customer Location





PoS ranking results					
Source	Shopify	Square	Lightspeed	Toast	Clover
Euvic	2	1	4	3	6
Forbes	3	1	5	7	4
Olive	2	1	4	3	5
Javelin		2			1
Expert Market	4	1		2	3
G2	2	1			4
Business	2	4	3	2	1
Backbar		2	3	1	4
FoodDocs		1	4	2	5
Owner	3	1	2	4	

Consumer comments	
	<ul style="list-style-type: none"> • Seamless e-commerce integration • Robust ecosystem with strong technology stack
	<ul style="list-style-type: none"> • Best for small businesses due to ease/ simplicity, low pricing, and mobile use
	<ul style="list-style-type: none"> • Strong capabilities for complex in-store inventory; many inventory management tools
	<ul style="list-style-type: none"> • Built specifically for the food service industry, making it preferred by many restaurants
	<ul style="list-style-type: none"> • Good for those that want top hardware • Very versatile and payment flexibility



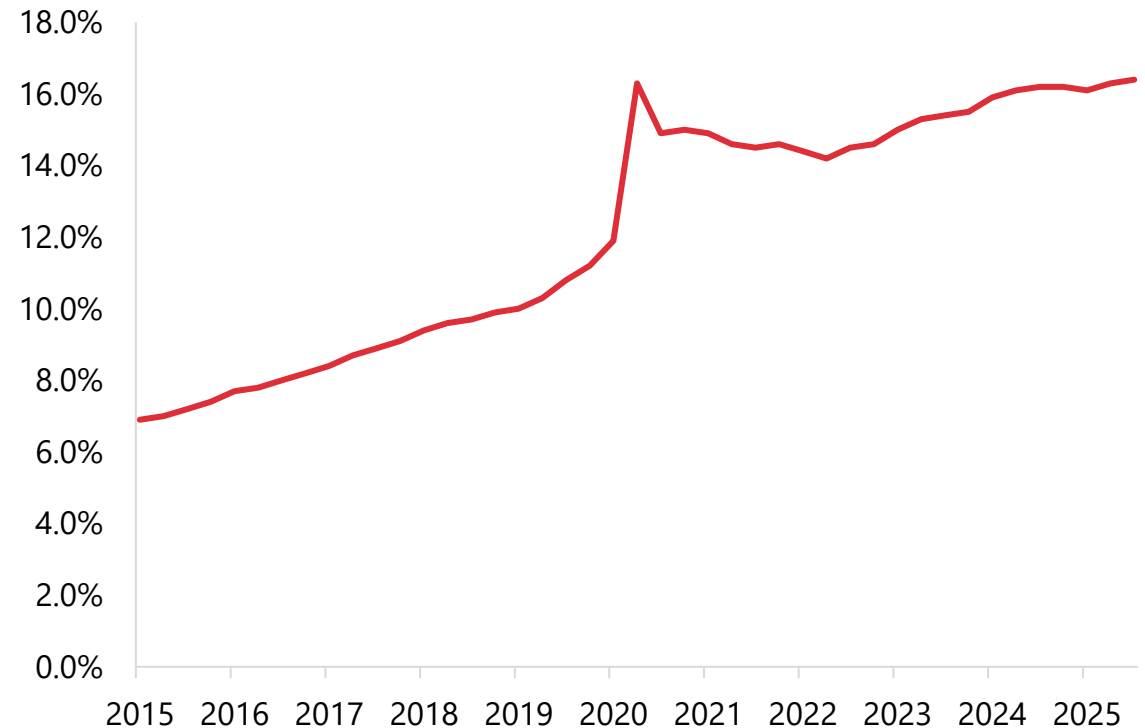
PoS competitor analysis			
Name	Industry Focus	Best Use Case	Unique Features
Square	SMB; Multi-industry	Small businesses, mobile payments, booths	Free forever plan, extensive ecosystem, mobile-first design
Shopify	E-commerce/ Retail	Omnichannel retail, online + in-store selling	Seamless online/offline integration, e-comm
Toast	Restaurant	Full-service restaurants, kitchen management	Restaurant specific features, kitchen display systems
Clover	Multi-industry	Versatile PoS, invoicing, employee management	Extensive app marketplace, flexible hardware options
Lightspeed	Retail/ Restaurant	Inventory management, growing businesses	Advanced analytics, inventory control, loyalty tools



Merchants increasingly prioritize omnichannel integration when considering PoS systems

PoS Trend		
Omnichannel Integration	Cloud-based Technology	AI Analytics
<ul style="list-style-type: none"> • 73% of retail shoppers engage through multiple channels • Omnichannel engagement increases avg. sales revenue by 9% 	<ul style="list-style-type: none"> • In 2025, more than 72% of retailers use cloud-based technology • As merchants introduce new channels, cloud enables centralized data 	<ul style="list-style-type: none"> • Over 50% of modern PoS platforms include a form of built-in predictive analytics or AI feature • Insights help retailers forecast demand

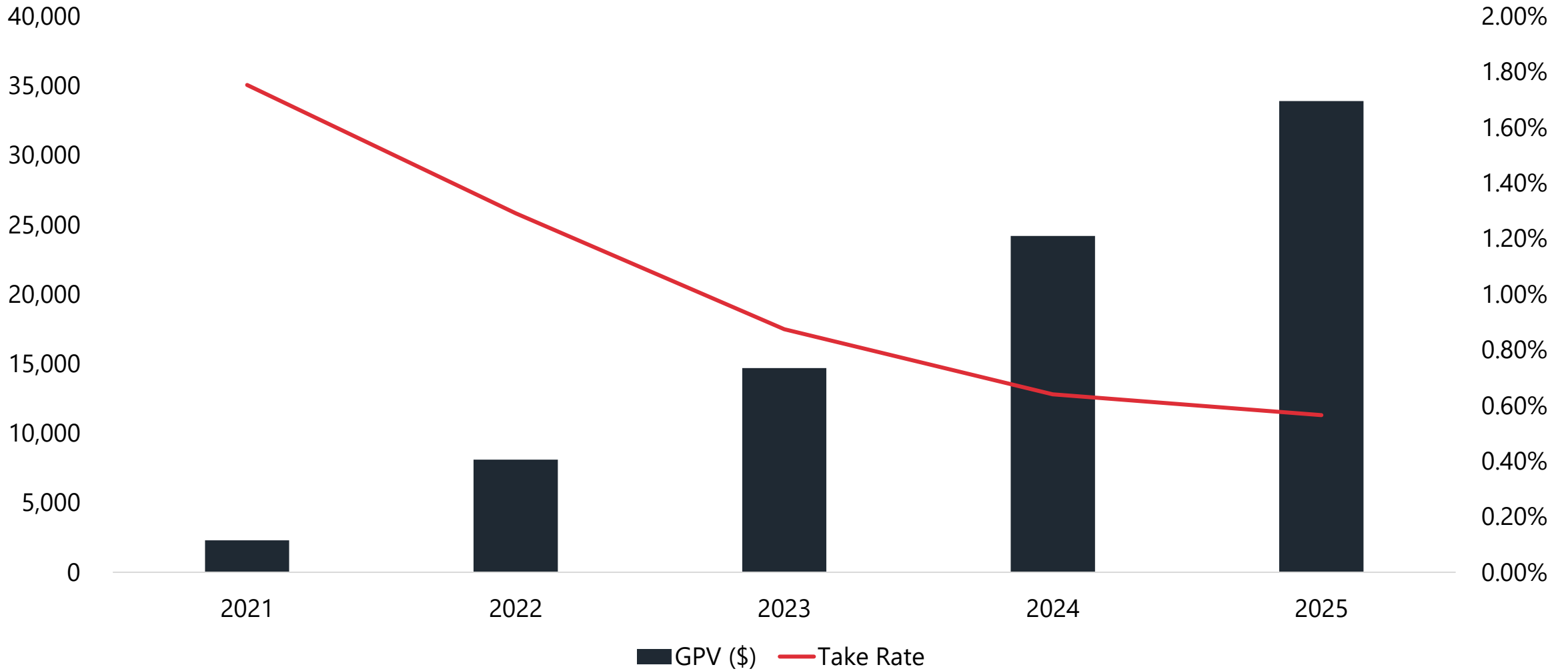
E-Commerce Retail Sales as a % of Total Sales



Sources: Company Financials, Competitor Financials, CapitalOne



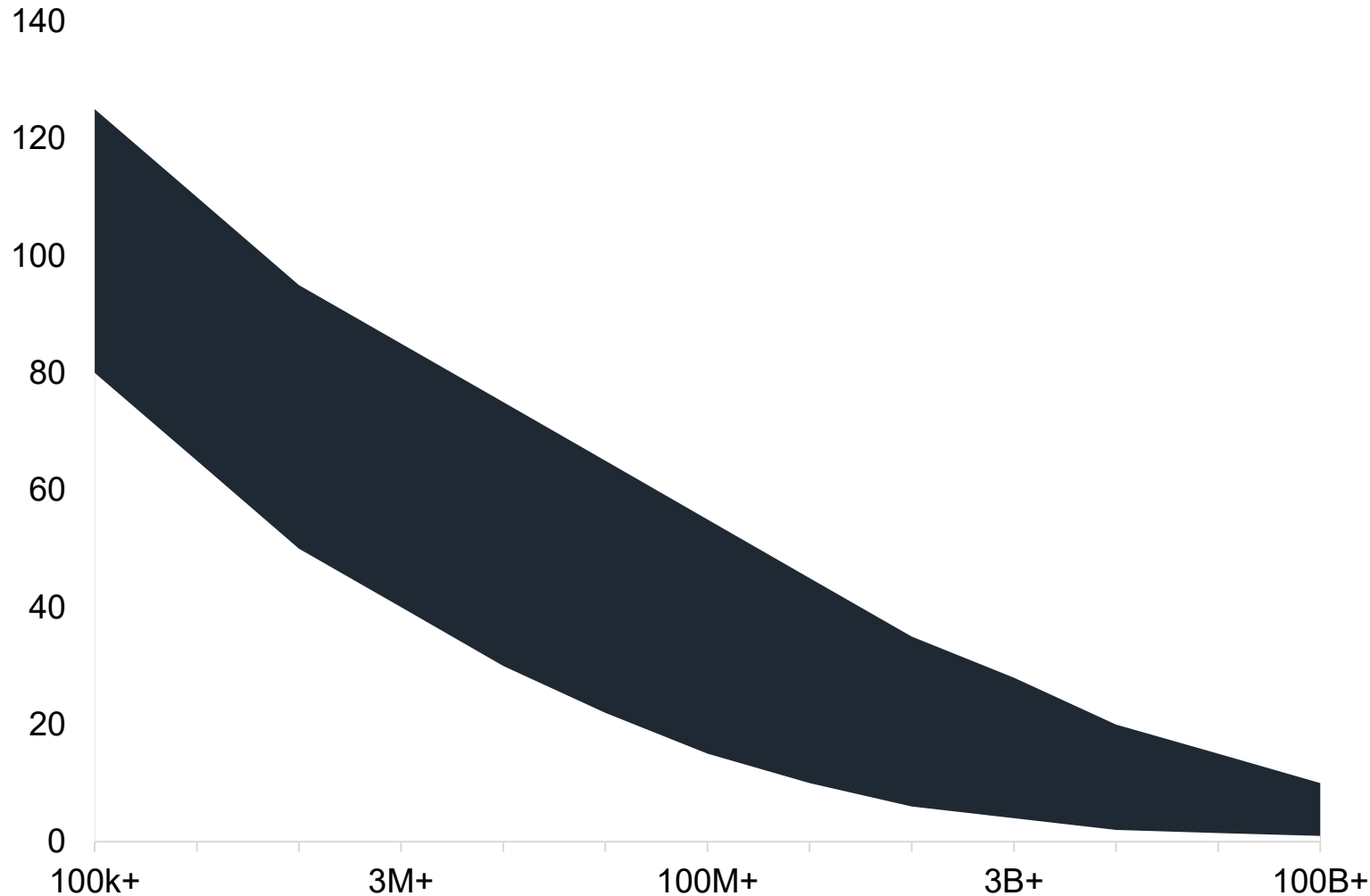
LSPD GPV vs take rate





Share of transaction available for card networks and acquirers

Rationale



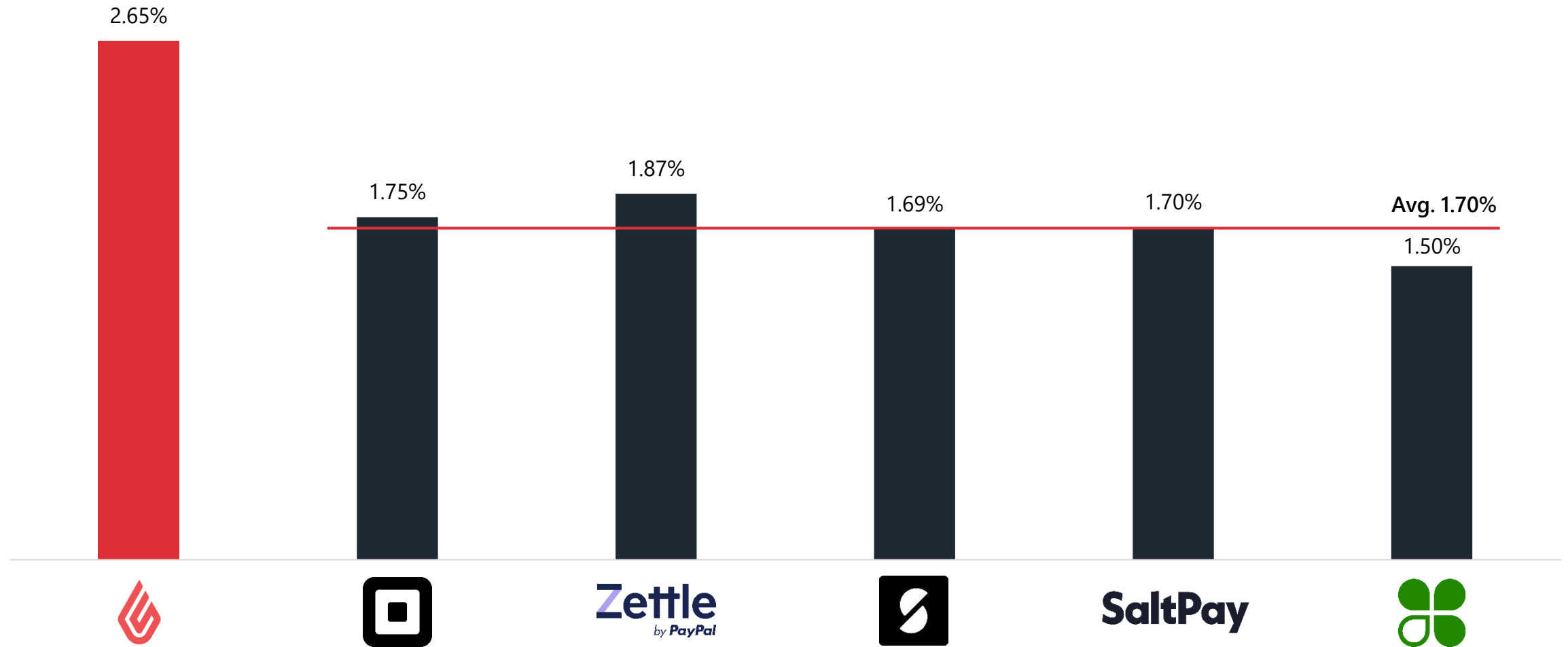
More Volume, More Leverage
Larger enterprises negotiate much lower merchant discount rates because they have more bargaining power and more sophisticated volumes.

"Interchange-Plus" Contracts
For larger merchants, the dominant pricing model is where other fees are passed through, and the acquirer charges a negotiated fixed markup ("plus").

Sophisticated Payments Teams
Large merchants typically have sophisticated payment teams and can extract pricing closer to cost, reducing the spread available to platforms.

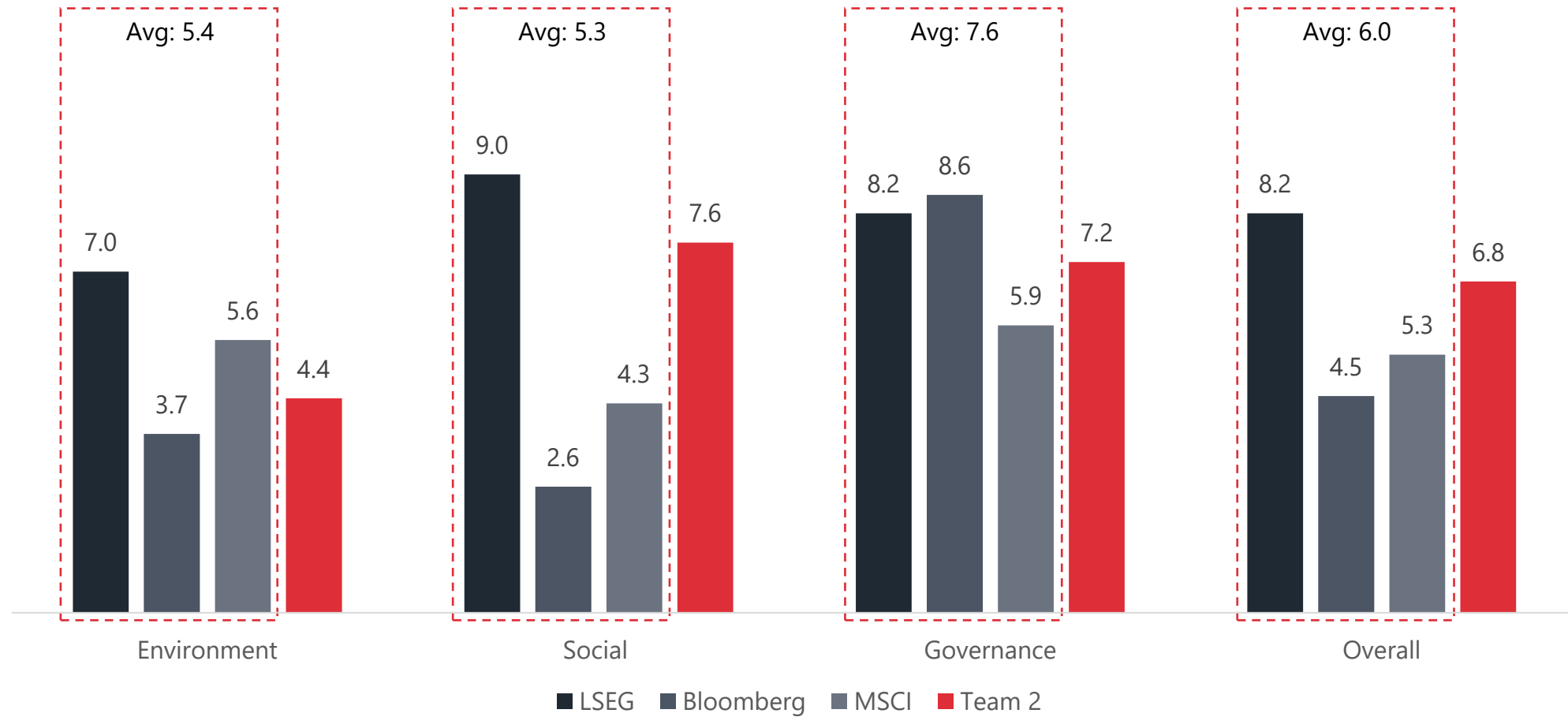


Competitor payments fees across card-present and not-present EU & UK transactions



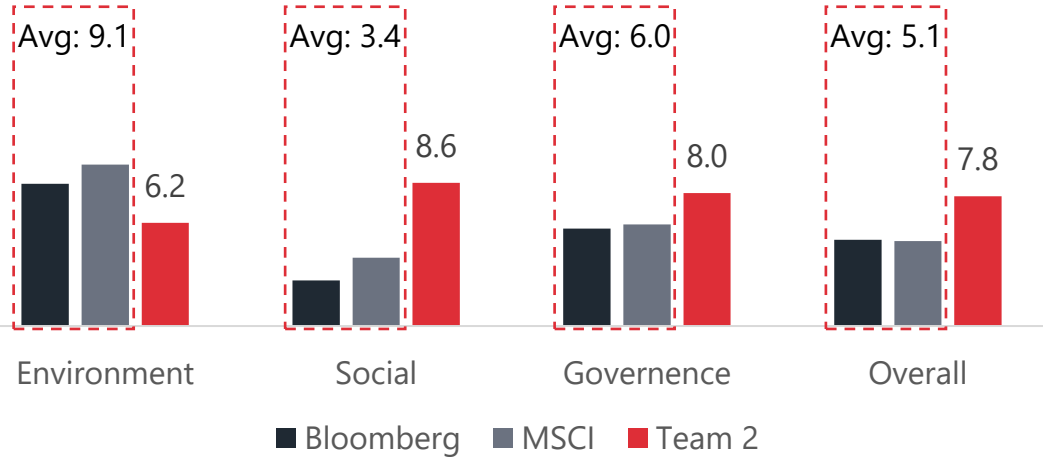


LSPD third party ESG scores

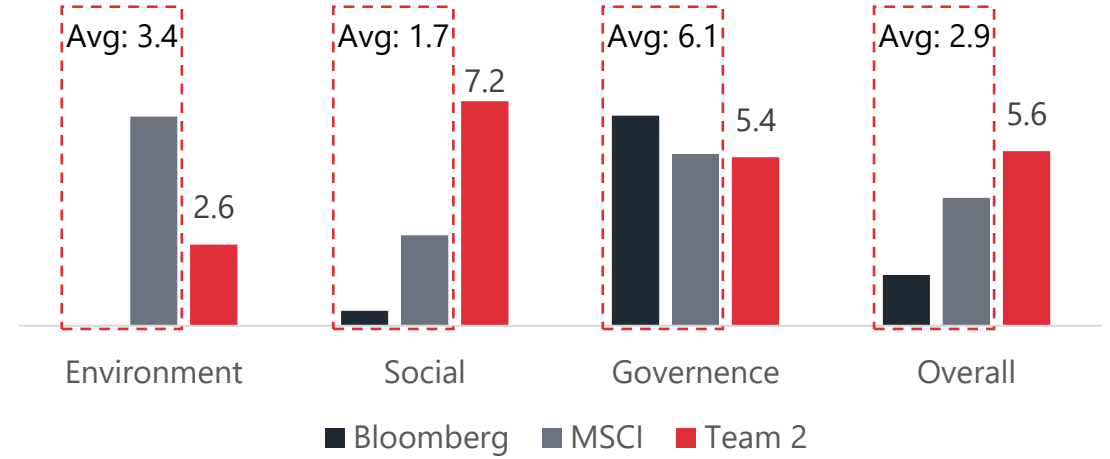




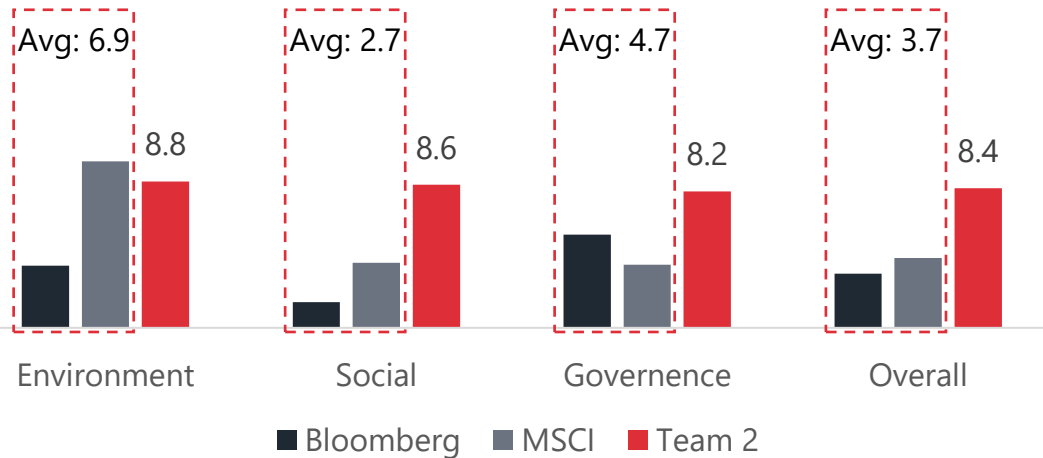
Toast third party ESG scores



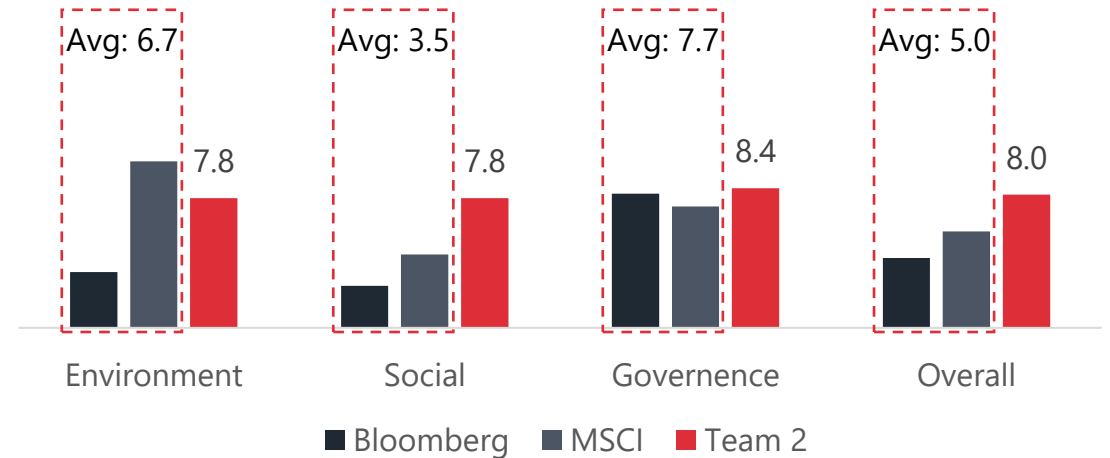
Shift4 third party ESG scores



Block third party ESG scores



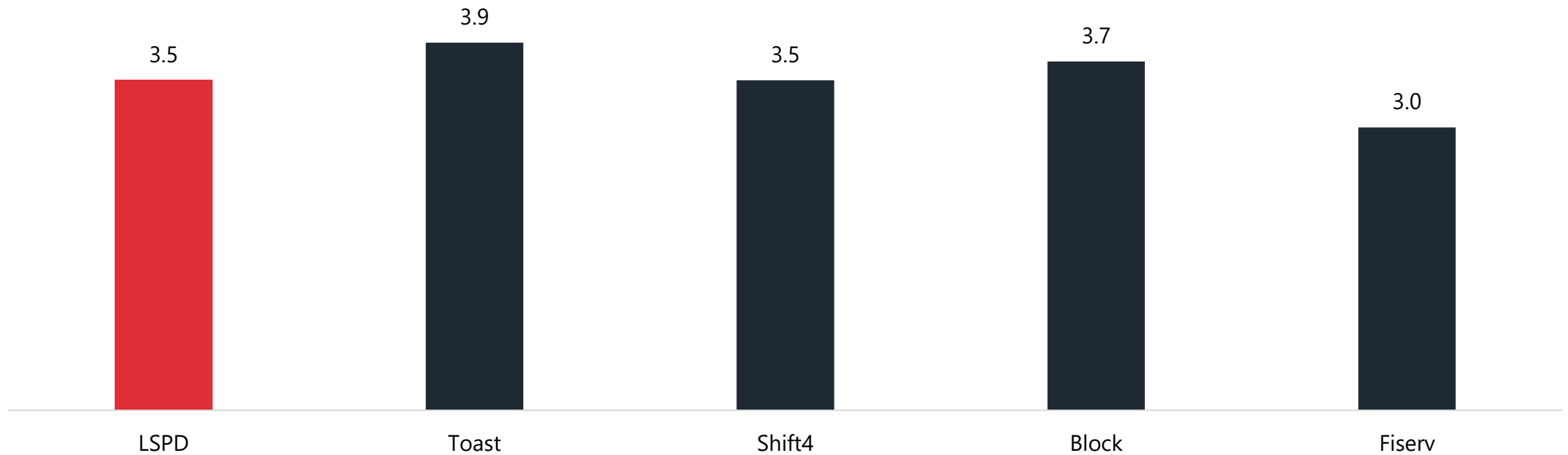
Fiserv third party ESG scores





LSPD performs similarly on employee review platforms

Glassdoor reviews (n=15,725)¹



No additional costs are likely to be incurred based on increased turnover. No impact on valuation.

Appendix | ESG | Management summary



Name & Position	Years of Industry Experience	Background
Dax Dasilva <i>Founder and CEO</i>	38	Dasilva is the founder and CEO of Lightspeed Commerce, the global unified commerce platform he started in 2005, and under his leadership the company has expanded to serve merchants in over 100 countries and completed its public listing.
Jean-David Saint-Martin <i>President</i>	23	Joined LSPD through its acquisition of Chronogolf and rose through global sales and revenue leadership roles. He has played a central role in scaling LSPD's operations and go-to-market.
Asha Bakshani <i>CFO</i>	18	Bakshani brings over 15 years of leadership experience from roles in technology and media, and prior to joining LSPD she held senior finance positions including at Cineflix and in public accounting.
Gabriel Benavides <i>Chief Revenue Officer</i>	26	Benavides has worked in sales and account management across a variety of technology companies, primarily focused on SaaS. Most recently, he was Chief Revenue Officer for 2 years at Contentsquare, and 9 years at Medallia, two customer experience survey companies.
Leslie Martin <i>Chief Strategy and Transformation Officer</i>	9	Martin progressed from a Consultant to Partner from 2017 to 2025 at The Boston Consulting Group, where she worked across a variety of industries, in projects focused on strategy, turnaround, M&A/corporate development, and special projects.
Daniel Micak <i>Chief Legal Officer</i>	19	Micak was VP, Assistant General Counsel and Assistant Corporate Secretary at D2L Inc. from June 2017 to July 2018, and Assistant General Counsel and Assistant Corporate Secretary with D2L Inc. from September 2011 to June 2017.
Shirvani Mudaly <i>Chief People Officer</i>	35	Prior to her roles with LSPD, Mudaly was Chief People Officer at Vend and Yellow in New Zealand, and has 20 years' of HR experience in the tech, financial and media sectors.
John Shapiro <i>Chief Product and Technology Officer</i>	31	Responsible for directing the company's global product strategy and technology organization. Shapiro's experience includes senior product and design roles at Wayfair and Intuit.

Appendix | ESG | Board of Directors' summary



Name & Position	Since	Prior Board Experience?	Background
Manon Brouillette <i>Chair of the Board</i>	2023	Yes	Manon was re-appointed to Board of Directors in October 2023, with a 98.33% approval rating in 2025. She previously served as director for LSPD from 2020 to 2021. She is currently also Chair of the Board for Hydro-Quebec and Strategic Partner at Inovia Capital. Prior director roles include at BFA Industries, Sonder Holdings, National Bank of Canada, and Altice USA.
Dax Dasilva <i>Founder and CEO</i>	2005	Yes	Dax is the founder and current CEO of LSPD, after having been re-appointed in February 2024, previously serving from 2005 to 2022. He served as Executive Chair of the Board for two years prior to his reappointment. He had an approval rate of 99.79% in 2025. During his previous term as CEO of LSPD, the company went public in 2019 and made 9 key acquisitions and developments for their products Lightspeed Retail and Lightspeed Restaurants.
Nathalie Gaveau	2022	Yes	Nathalie has served as a director since 2022, with a 99.61% approval rate in 2025. She is currently Senior Advisor at BCG and serves as a director at Coca-Cola EuroPacific Partners, Sonepar, and HWX Partners Ltd. She holds much experience on different boards having previously served as director for PortAventura World, Calida AG, and Tailwind.
Paul McFeeters <i>Chair of the Audit Committee</i>	2018	Yes	Paul has been a director since 2018, having previously held many C-level positions including CFO of OpenText, Platform Computing, Kintana, Municipal Financial Corporation, and CEO of MD Private Trust, and Municipal Financial Corporation. He has also served many boards including Constellation Software from 2014 - 2022 and Blueprint Software Systems.
Dale Murray <i>Lead Independent Director</i>	2022	Yes	Dale serves as Lead Independent Director of the board as of April 2025 and had a 99.47% approval by shareholders in 2025. She serves as a director at Xero, the Cranemere Group, and Jupiter Fund Management, and previously served as a director at the UK Government's Department for Business.
Sameer Samat	2025 <i>(Effective October)</i>	Yes	Sameer was appointed as a Director in 2025. He is currently President of the Android Ecosystem at Google and was previously a founding member of Google's commerce team, serving as VP of Google's Shopping and Travel search products. He currently sits on the board of Open English.
Odilon Almeida	2025 <i>(Effective October)</i>	Yes	Odilon was appointed as a Director in 2025. He is currently a Managing Principal of AJ Holdings and Operating Partner at Advent International. He has served as CEO and board of ACI Worldwide before and serves several boards including NCR Atleos, MarineMax, and Amerant Bancorp.

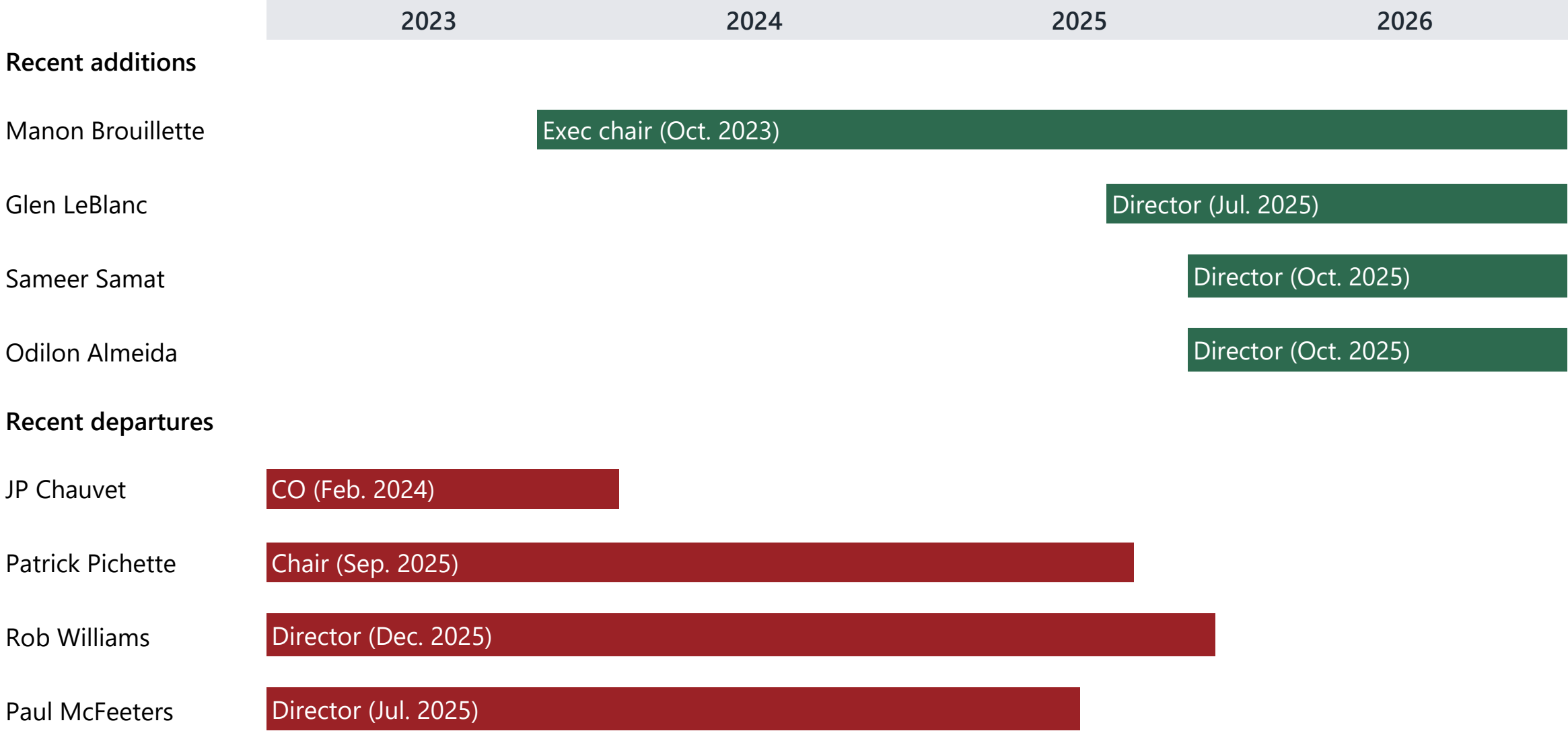
Appendix | ESG | Competitor board summary



■ Software experience ■ Payments experience



Appendix | ESG | Board changes (since Jan. 2023)

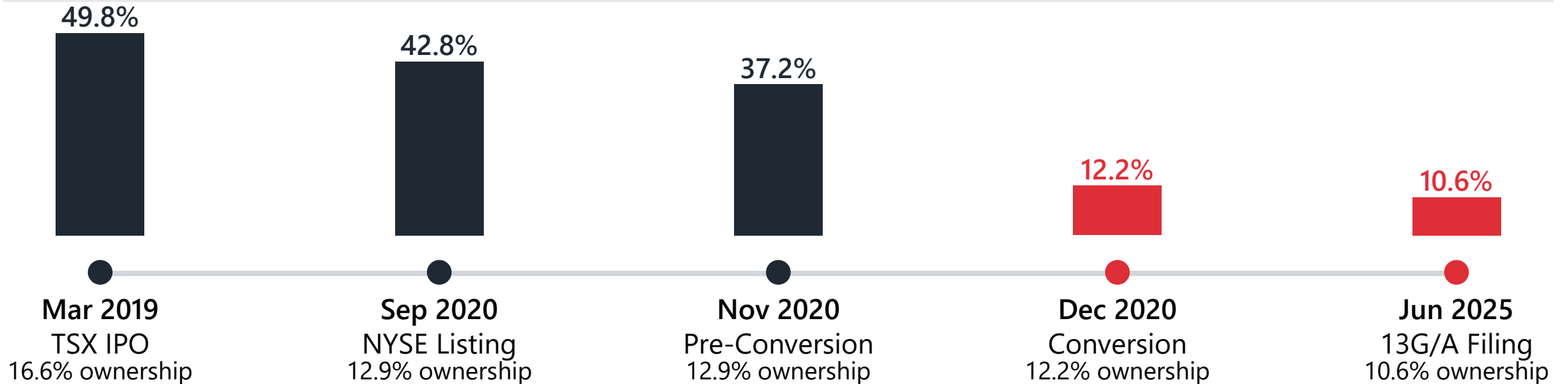


Sources: Company Filings, Press Releases, Investor Relations



Dax DaSilva voting power over time

LSPD historically had a dual-class structure:
MVS = 4 vote/share | SVS = 1 vote/share



Dec 1, 2020: Automatic conversion of MVS to SVS

Upserve acquisition required 5.9M new SVS, diluting DaSilva below the 12.5% sunset threshold. All 14.4M MVS converted to SVS (1:1 basis). Voting power dropped from 37.2% to 12.2% overnight. Lightspeed now operates under a one-share-one-vote structure.

Appendix | ESG | Compensation metrics history



2022		2023		2024		2025	
Executive Class	Metrics Used	Executive Class	Metrics Used	Executive Class	Metrics Used	Executive Class	Metrics Used
Prev. CEO (Dax)	<ul style="list-style-type: none"> Revenue Adjusted EBITDA Monthly recurring revenue metrics 	New CEO (Chauvet), CFO and COO have similar agreements	<ul style="list-style-type: none"> Company share price growth targets 	New CEO (Chauvet), CFO and COO have similar agreements	<ul style="list-style-type: none"> Company share price growth targets 	CFO	<ul style="list-style-type: none"> Company share price growth targets
New CEO (Chauvet) (CFO and COO also have similar agreements)	<ul style="list-style-type: none"> Company share price growth targets * 	Other NEO Short-term incentives (Equally weighted)	<ul style="list-style-type: none"> Revenue Adjusted EBITDA Monthly recurring revenue targets (President more heavily weighted) 	Other NEO Short-term incentives (90% Rev, EBITDA, MRR weighting, 10% Others weighting)	<ul style="list-style-type: none"> Revenue Adjusted EBITDA Monthly recurring revenue targets Aggregate product NPS Employee engagement score targets 	Other NEO Short-term incentives (80% Rev, EBITDA weighting, 20% Others weighting)	<ul style="list-style-type: none"> Revenue Adjusted EBITDA Adjusted FCF Net customer location growth targets
Other NEO Short-term incentives (Equally weighted)	<ul style="list-style-type: none"> Revenue Adjusted EBITDA Monthly recurring revenue targets (CRO and Customer Officer more heavily weighted) 	<p><i>*The CFO Performance Award was to be earned and vest over a period of just over five years based in part upon the Company's share price over this approximately 5-year time period measured relative to an independently-constructed Standard & Poor's benchmark index (the S&P North American Technology Software Index) and in part upon the achievement of pre-established stock price growth rate targets. This benchmark index was selected because it is a software-specific index that captures broader market representation (with no individual company weighted more than 20% of the overall index).</i></p>					

Appendix | ESG | Compensation targets vs actuals



Fiscal 2025 (USD, \$M)

Criteria	Internal Target	2025 Actual	Actual vs Internal Target	Achievement of Criteria	Weighting of Criteria	Weighted Payout
Revenue	\$1,100.3	\$1,076.8	97.87%	89.35% ¹	40%	35.74%
Adj. EBITDA	\$50	\$53.69	107.27%	109.54% ²	40%	43.81%
Adj. FCF	\$(32)	\$(11.17)	165.12%	150% ³	10%	15%
Net Customer Location Growth	10%	-	-	-	-	-

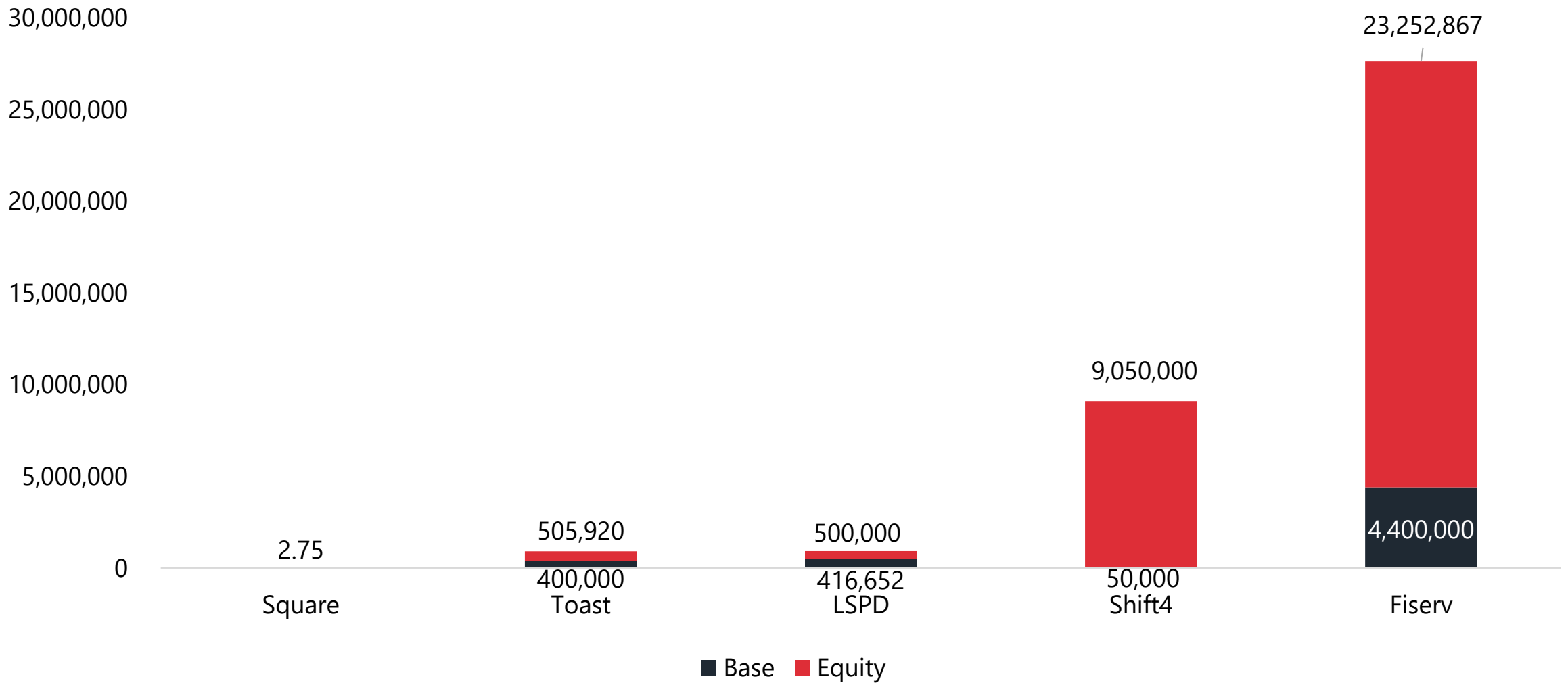
“Due to various factors including the rigorous target and the Company's focus on beginning to execute the Company's transformation plan in Fiscal 2025, the NEOs received no payout in respect of the achievement related to this short-term incentive plan target.”

- 1. Achievement of actual revenue between 80% of internal target and 100% of internal target resulted in the application of linear interpolation, with incremental 5% achievement of Fiscal 2025 revenue criteria for every 1% increase of actual revenue versus the internal revenue target. Accordingly, because the Company achieved 97.87% of the internal revenue target based on actual revenue for Fiscal 2025, 89.35% of the Fiscal 2025 revenue criteria was achieved.*
- 2. For over-achievement of actual Adjusted EBITDA against internal target, an additional 1% of Adjusted EBITDA criteria achievement is recognized for every 1% of target achievement between >100% and <105% of target and an additional 2% of Adjusted EBITDA criteria achievement is recognized for every 1% of actual Adjusted EBITDA over 105% of internal target, up to 150% achievement irrespective of the extent of such overachievement (200% in the case of the Chief Executive Officer). Accordingly, because the Company achieved 107.27% of the internal Adjusted EBITDA target based on actual Adjusted EBITDA for Fiscal 2025, 109.54% of the Fiscal 2025 Adjusted EBITDA criteria was achieved.*
- 3. For over-achievement of actual Adjusted Free Cash Flow against internal target, an additional 1% of Adjusted Free Cash Flow criteria achievement is recognized for every 1% of target achievement between >100% and <105% of target and an additional 2% of Adjusted Free Cash Flow criteria achievement is recognized for every 1% of actual Adjusted Free Cash Flow over 105% of internal target, up to 150% achievement irrespective of the extent of such overachievement (200% in the case of the Chief Executive Officer). Accordingly, because the Company achieved 165.12% of the internal Adjusted Free Cash Flow target based on actual Adjusted Free Cash Flow for Fiscal 2025, 150% of the Fiscal 2025 Adjusted Free Cash Flow criteria was achieved for NEOs other than the Chief Executive Officer, and 200% of the Fiscal 2025 Adjusted Free Cash Flow criteria was achieved for the Chief Executive Officer.*

Appendix | ESG | Peer CEO compensation



Comparable company CEO total compensation (FY2024)



Sources: Company Financials, Competitor Financials



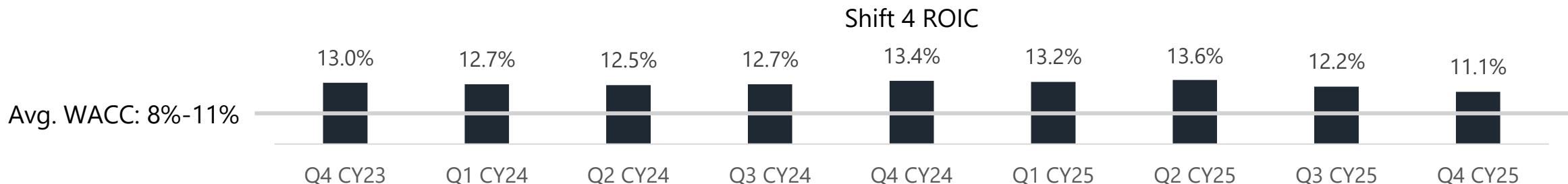
Peers incorporate returns-related metrics

fiserv.

Compensation Performance Metrics	Description
Relative total shareholder return	Relative return compared to the S&P 500 to align with creation of shareholder value
Organic revenue growth	Long-term value of enterprise is linked to ability to grow revenue without regard to acquisitions, fx, etc.
Adjusted earnings per share	Increases drive shareholder value

SHIFT ④

Performance Metrics	Description
Delivering ROIC > WACC across all investment phases	Ensures acquisitions with proper execution and integration drives high incremental returns and good use of invested capital



Appendix | ESG | ESG scorecard



Approach & Rationale

LSPD, like most companies, faces inconsistent treatment from ESG rating agencies due to limited standardization in ESG reporting and the Company's hybrid SaaS and payments business model. To address this, we reviewed the disclosure rationale from LSEG, Bloomberg, and MSCI and selected a peer group relevant to LSPD's current operations. Using these materials, we developed an internal scorecard focused on material factors.

Rating	Description	Team 2 Assessment
0	N/A	No or lack of evidence of effort to achieve criterion.
1	Laggard	Evidence of some effort but little success to achieve criterion.
2	Satisfactory	Evidence of effort and a level of success to achieve criterion.
3	Average	Effort and success in line with industry standards for criterion.
4	Excellent	Higher level of effort and success in achieving criterion.
5	Leader	Innovator for industry initiatives and high level of effort and success.

Criteria	LSPD	Toast	Shift4	Block	Fiserv
Energy and Emissions Footprint	No target or plan to reduce emissions. Cloud providers offset using 100% clean energy.	No additional targets set, renewable energy target hit in 2022.	No target or plan to reduce emissions. Cloud providers offset most usage.	Targets aligned with SBTi ¹ . Robust plan to reduce emissions, including purchasing clean energy.	Absolute emission reduction target for 2050. Limited clear plans. Some clean energy purchases.
Target Reduction	0.0	2.5	0.0	5.0	4.0
Plan & Execution	0.0	0.0	0.0	4.5	2.5
Use of Clean Energy	4.0	4.0	4.0	4.5	3.0
Disclosure	Discloses small portion of GHG emissions. Reporting is slightly delayed	Annual ESG reports disclose clear and concise details on environmental factors, primarily emissions.	No annual disclosure. Current report has stale data and unclear future plans.	Reporting is delayed and non-current. Comprehensive report is available following standard frameworks.	Annual report is timely and follows several industry standard frameworks with historical data available.
Timeliness	4.0	5.0	1.0	3.0	5.0
Relevance & Specificity	3.0	4.0	2.0	5.0	5.0
Environment	2.2	3.1	1.3	4.4	3.9

Sources: Company Financials, Competitor Financials

Appendix | ESG | ESG scorecard



Criteria	LSPD	Toast	Shift4	Block	Fiserv
Customer Privacy and Protection of Merchant Data	Emphasizes merchant data protection through PCI compliance and independently audited internal controls.	Treats customer privacy as a core enterprise risk governed under a CISO-led, NIST-based security program.	Formal cybersecurity controls and third-party testing to safeguard sensitive merchant information.	Operates a unified, framework-aligned cybersecurity program focused on protecting consumer and merchant data.	Maintains Board-overseen global security operations dedicated to privacy and data protection.
Program Maturity	4.0	4.0	4.0	5.0	5.0
Incident Response	4.0	4.0	4.0	4.0	4.0
Talent Attraction/Retention and Workforce Capability	Uses DEI reporting plus formal governance to support talent attraction. Workforce satisfaction from 1.0K reviews.	Scales hiring and development around employee resource groups and workforce-focused ESG reporting. Workforce satisfaction from 1.6K reviews.	Frames retention around “diverse, inclusive” culture plus centralized human-capital governance. Workforce satisfaction from 336 reviews.	Publishes workforce diversity results and ties inclusion to manager expectations and development efforts. Workforce satisfaction based on 1.8K reviews.	Runs enterprise-scale recruiting and development programs with Board-level oversight of human-capital strategy. Workforce satisfaction based on 10.5k reviews.
Diversity & Inclusion	4.0	4.0	3.0	4.5	4.0
Satisfaction ²	3.5	3.9	3.5	3.7	3.0
Disclosure	Discloses annual social and cybersecurity narratives with limited quantitative KPIs.	Provides structured, timely ESG disclosures with concrete workforce and privacy metrics.	Relies mainly on risk-factor filings and high-level static ESG statements.	Publishes current CSR and SEC-based reports with specific diversity results.	Issues regular corporate-scale privacy and people disclosures, largely narrative.
Timeliness	4.5	5.0	4.0	4.0	4.0
Relevance & Specificity	3.0	5.0	4.0	4.0	3.5
Social	3.8	4.3	3.6	4.3	3.9

Sources: Company Financials, Competitor Financials

Appendix | ESG | ESG scorecard



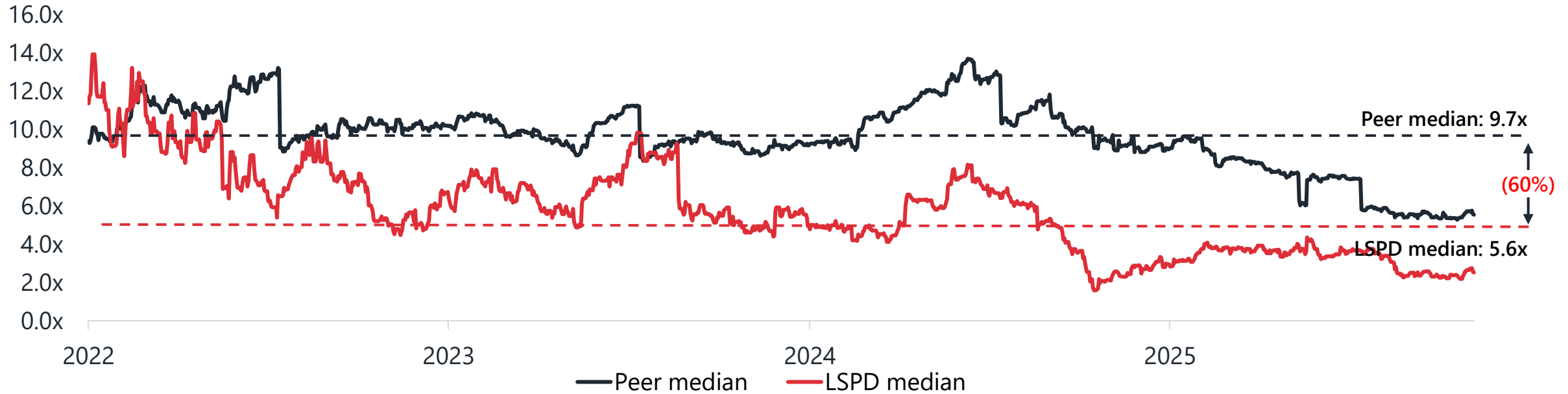
Criteria	LSPD	Toast	Shift4	Block	Fiserv
Board of Directors	Independent-majority Board with CEO participating as a non-independent director.	Largely independent Board with strong restaurant-tech experience.	Controlled-company Board with a mix of independent and executive directors.	Independent Board with deep fintech and platform governance expertise.	Independent-majority Board with extensive financial-technology leadership backgrounds.
Independence	4.0	5.0	3.0	4.0	4.0
Experience	4.0	5.0	4.0	4.0	5.0
Diversity	3.0	4.0	2.0	5.0	3.0
Management	Seasoned SaaS-oriented executives supported by performance-linked equity compensation.	Operator-experienced restaurant-tech leadership with highly aligned long-term incentive programs.	Payments-focused management team with traditional compensation structures.	Fintech-centric leadership group with incentive-driven compensation planning.	Veteran financial-technology executives with robust, metric-tied compensation frameworks.
Experience & Competence	4.0	5.0	4.0	5.0	5.0
Diversity	3.0	4.0	2.0	4.0	3.0
Compensation Structure	4.0	5.0	2.0	4.0	4.0
Shareholder Rights	Single-class structure provides one vote per share for common shareholders. 90% owned by public and institutions.	Dual-class structure concentrating control with Class B holders. 82% owned by public and institutions.	Multi-class structure concentrating voting power with insiders. 97% owned by public and institutions.	Dual-class structure concentrating control with Class B holders. 89% owned by public and institutions.	Single-class structure provides one vote per share. 99% owned by public and institutions.
Voting Rights	5.0	2.0	1.0	2.0	5.0
Data Governance at Board Level	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.
Oversight Structure	3.0	3.0	3.0	4.5	4.5
Experience	3.0	3.0	3.0	4.0	4.0
Disclosure	Relevant financial reporting and human capital are disclosed. Less human capital KPIs than peers.	Relevant financial reporting and more structured human capital data are disclosed.	Relevant financial reporting disclosed. Lack of any extended human capital disclosure.	Relevant financial reporting and human capital data are disclosed.	Relevant financial reporting and human capital data are disclosed. This includes accountability information.
Financial Reporting	4.0	4.0	4.0	4.0	4.0
Human Capital	3.0	4.0	2.0	4.5	4.5
Governance	3.6	4.0	2.7	4.1	4.2
Overall	3.4	3.9	2.8	4.2	4.0

Sources: Company Financials, Competitor Financials

Appendix | Valuation | Relative valuation using EV/GP, and sensitivity



LTM EV/GP



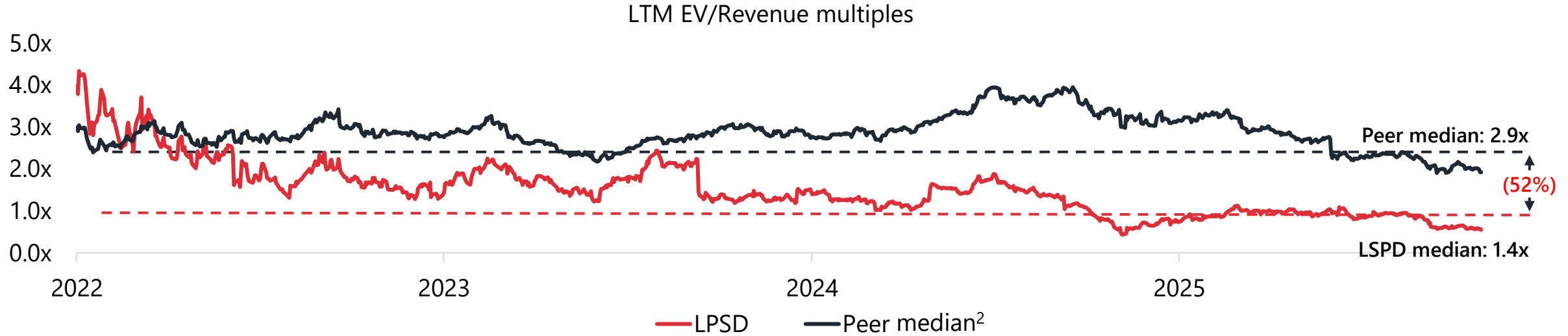
Discount	60%	30%	10%	0%
Implied Downside	(28%)	(23%)	(19%)	(16%)

Timeframe	Current	1Y	2Y	3Y
Discount to peers	(71%)	(81%)	(59%)	(64%)

Appendix | Valuation | Relative valuation using EV/Revenue, and sensitivity



LSPD has consistently traded below peers and the discount is expected to persist



Using EV/Revenue, we would apply a **50% discount** to the forward peer multiple

Discount	50%	30%	10%	0%
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Discount to peers	(31%)	(28%)	(19%)	(16%)
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Timeframe	Current	1Y	2Y	3Y
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Discount to peers	(67%)	(73%)	(41%)	(36%)
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Appendix | Valuation | DCF forecast



Unlevered Free Cash Flows	LTM	Actual	Forecasts									
<i>Fiscal year ended</i>	2026-05-07	3-31-25	3-31-26	3-31-27	3-31-28	3-31-29	3-31-30	3-31-31	3-31-32	3-31-33	3-31-34	3-31-35
Revenue	1,254,396	1,076,826	1,274,737	1,384,619	1,531,477	1,689,733	1,868,543	2,057,778	2,259,974	2,487,484	2,743,436	2,941,629
% growth			18.4%	8.6%	10.6%	10.3%	10.6%	10.1%	9.8%	10.1%	10.3%	7.2%
EBITDA	(13,685)	(458,568)	37,276	41,498	47,892	55,158	63,186	70,724	86,140	111,256	139,586	159,488
% margin		(42.6%)	2.9%	3.0%	3.1%	3.3%	3.4%	3.4%	3.8%	4.5%	5.1%	5.4%
EBT	(97,880)	(558,078)	(45,164)	(37,880)	(28,695)	(16,921)	(2,487)	14,143	41,285	62,006	85,394	101,529
% margin		(51.8%)	(3.5%)	(2.7%)	(1.9%)	(1.0%)	(0.1%)	0.7%	1.8%	2.5%	3.1%	3.5%
Tax		7,687	0	0	1,435	1,692	373	(2,546)	(8,257)	(12,401)	(17,079)	(20,306)
Tax rate		1.4%	0.0%	0.0%	5.0%	10.0%	15.0%	18.0%	20.0%	20.0%	20.0%	20.0%
Net Income		(550,391)	(45,164)	(37,880)	(27,260)	(15,229)	(2,114)	11,597	33,028	49,605	68,315	81,223
Depreciation & amortization		100,991	83,605	80,292	77,172	72,309	65,764	56,790	45,199	49,750	54,869	58,833
Changes in net working capital		(90,571)	(25,969)	(10,942)	(13,345)	(13,993)	(7,220)	(6,644)	(6,076)	(5,746)	(5,357)	(3,154)
Capital expenditures		(23,123)	(30,102)	(32,504)	(34,284)	(34,532)	(32,879)	(28,547)	(20,905)	(23,850)	(27,332)	(30,629)
as % of revenue		(2.1%)	(2.4%)	(2.3%)	(2.2%)	(2.0%)	(1.8%)	(1.4%)	(0.9%)	(1.0%)	(1.0%)	(1.0%)
Change in financing		(4,950)	(2,337)	(2,879)	(3,555)	(4,269)	(5,055)	(5,875)	(6,740)	(7,696)	(8,755)	(9,590)
Levered free cash flows (LFCF)		(568,044)	(19,966)	(3,913)	(1,272)	4,286	18,496	27,321	44,506	62,063	81,740	96,682

Appendix | Valuation | DCF outputs



Terminal value - growth in perpetuity approach

Long term growth rate	2.5%
2035 FCF x (1+g)	104,567
Terminal value in 2035	1,020,655
Present value of terminal value	372,430
Present value of stage 1 cash flows	155,852
Total equity value	528,282

<i>Terminal value as % of equity value</i>	<i>70.5%</i>
<i>Stage 1 cash flows as % of equity value</i>	<i>29.5%</i>
<i>Implied TV exit P/E multiple</i>	<i>11.8x</i>

Terminal value - Earnings multiple approach

Terminal year earnings	81,223
P/E multiple	13.6x
Terminal value in 2035	1,176,444
Present value of terminal value	429,276
Present value of stage 1 cash flows	155,852
Total equity value	585,128

<i>Terminal value as % of equity value</i>	<i>73.4%</i>
<i>Stage 1 cash flows as % of equity value</i>	<i>26.6%</i>
<i>Implied terminal growth rate</i>	<i>3.7%</i>

Valuation	Perpetuity	Multiple
Implied equity value	528,282	585,128
Add: Existing cash	479,002	479,002
Equity value	1,007,284	1,064,130
Shares outstanding	142,478	142,478
Equity value per share	\$7.07	\$7.47



CAPM

Risk free rate	4.2%	10 Year US Treasury Yield
Beta	1.7	See below
Market risk premium	5.0%	Market risk premium from D&P
Cost of equity	12.7%	

Observed Beta

Observed	2.6	Since inception monthly beta
Industry beta	1.7	From schedule below

Industry Derived Beta

	Observed beta	Delevered beta
Toast	1.9	2.1
Block	2.7	2.7
Shift4	1.7	1.0
Lightspeed	2.6	3.5
Avg. delevered beta	2.3	
Lightspeed beta	1.7	

3-Factor Fama-French

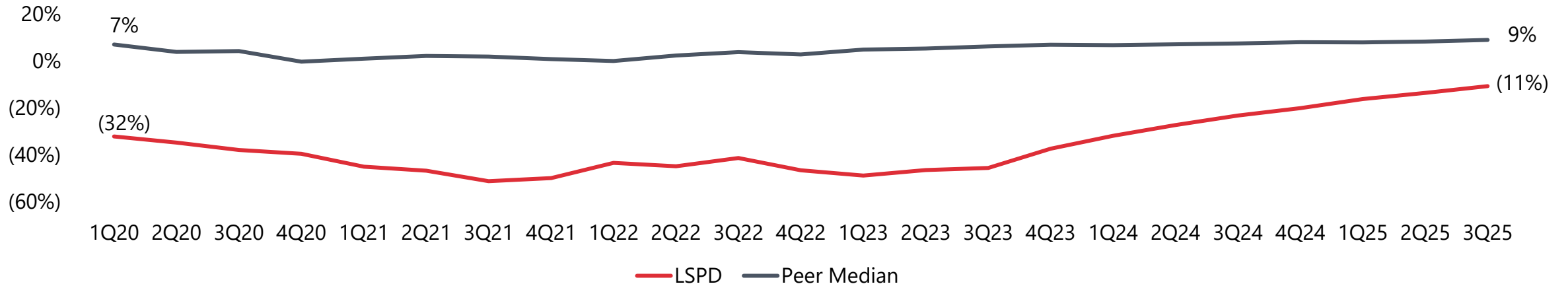
Risk free rate	4.2%
Market beta	1.7
Market risk premium	5.0%
SMB beta	2.5
Size premium	1.0%
RMW beta	3.0
RMW premium	1.0%
Cost of equity	18.3%

Base Case Sensitivity

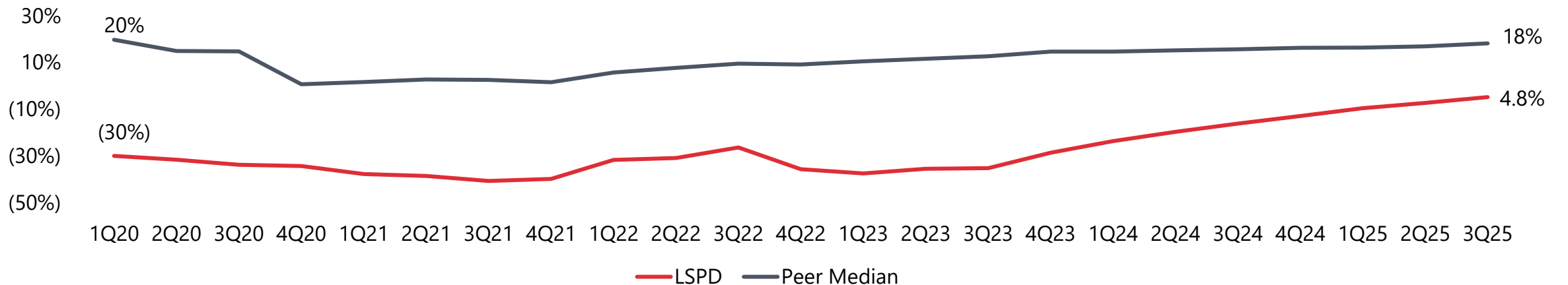
		Downside				
		Long term growth rate (g):				
		1.5%	2.0%	2.5%	3.0%	3.5%
CoE:	14.7%	(34.5%)	(33.7%)	(32.8%)	(31.8%)	(30.8%)
	13.7%	(30.8%)	(29.8%)	(28.7%)	(27.4%)	(26.1%)
	12.7%	(26.4%)	(25.1%)	(23.7%)	(22.1%)	(20.3%)
	11.7%	(21.0%)	(19.3%)	(17.4%)	(15.3%)	(13.0%)
	10.7%	(14.4%)	(12.1%)	(9.6%)	(6.8%)	(3.5%)



Peer EBIT margins (by Calendar Quarter)

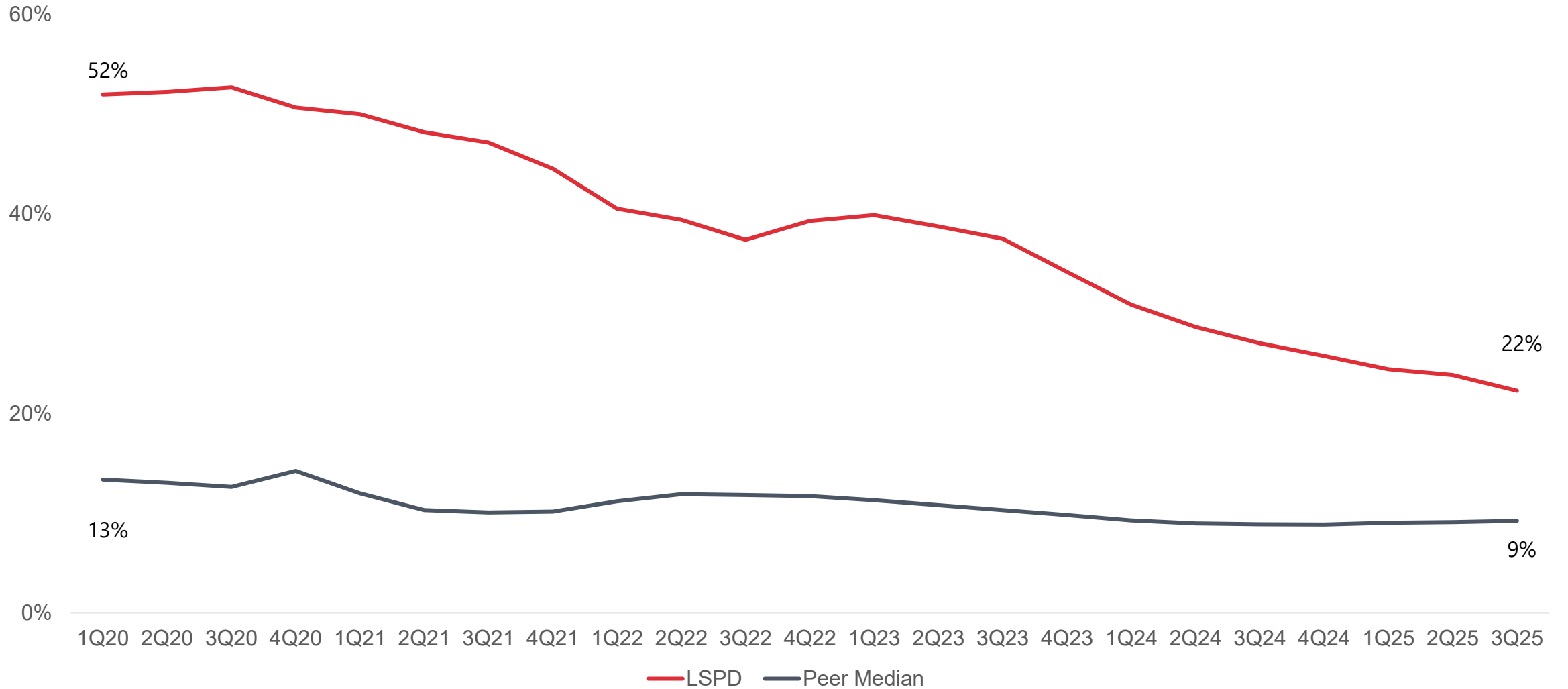


Peer EBITDA margins (by Calendar Quarter)



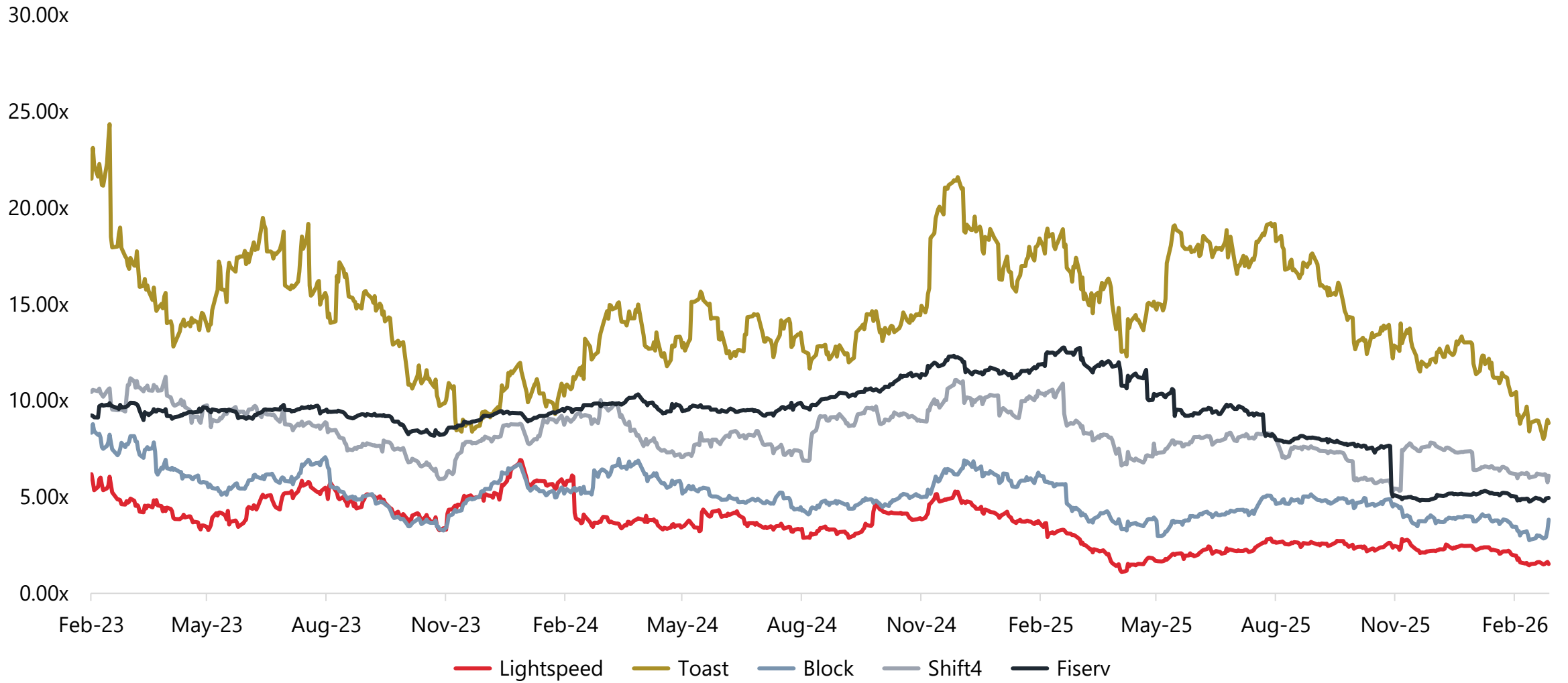


Peer S&M expenses as a % of revenue (by Calendar Quarter)



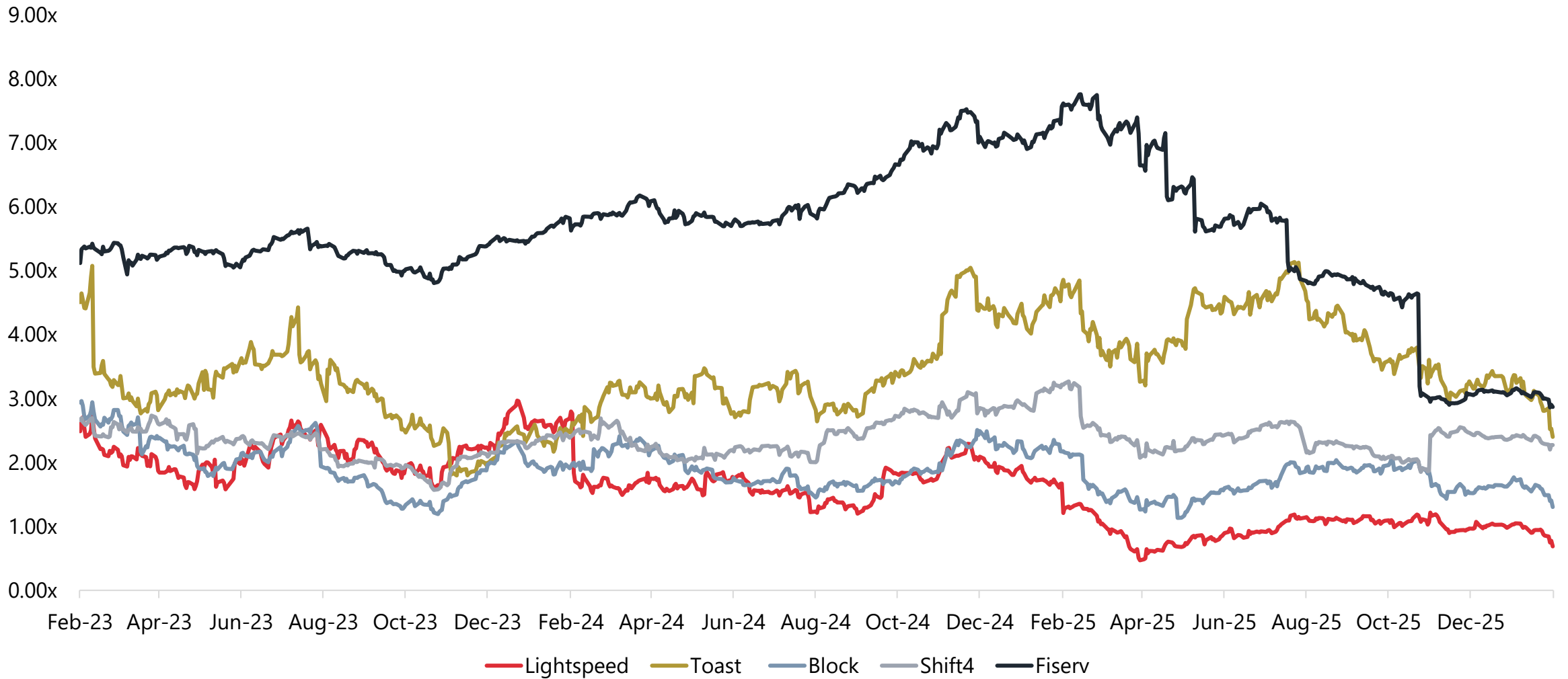


Peer LTM EV/Gross Profit



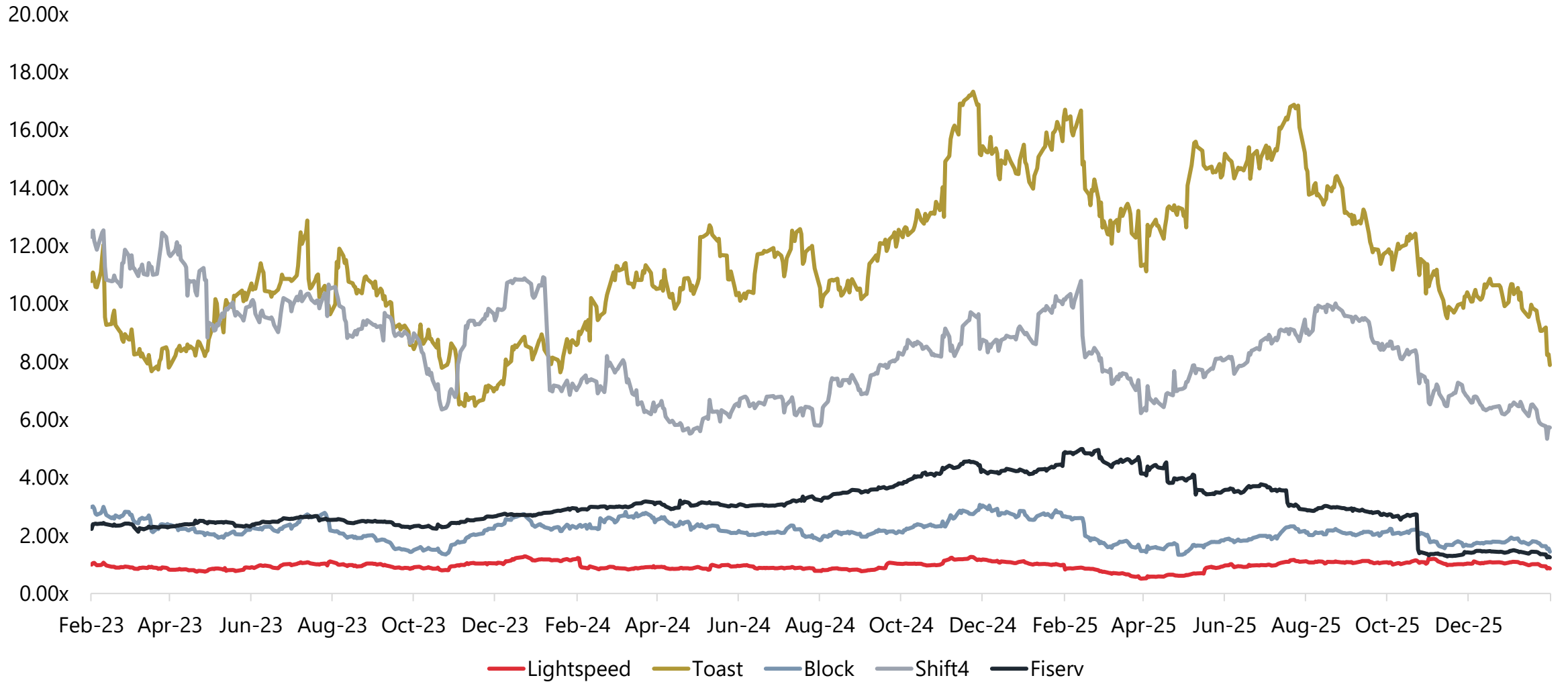


Peer LTM EV/Revenue



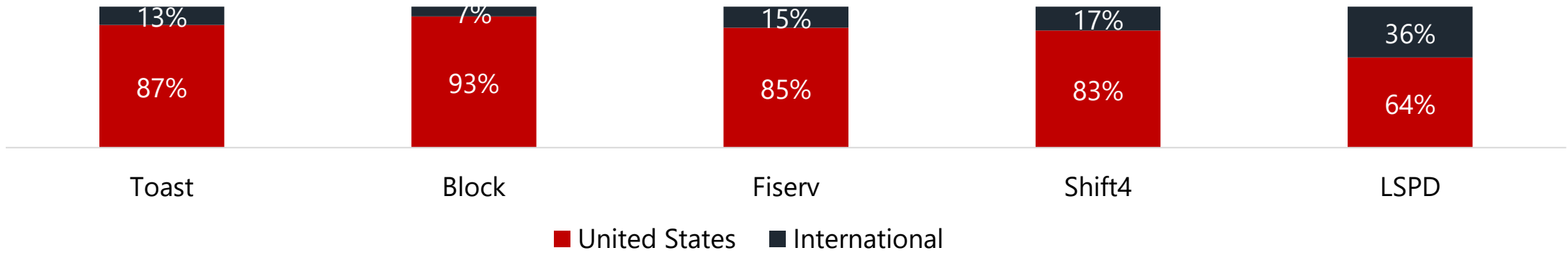


Peer P/B

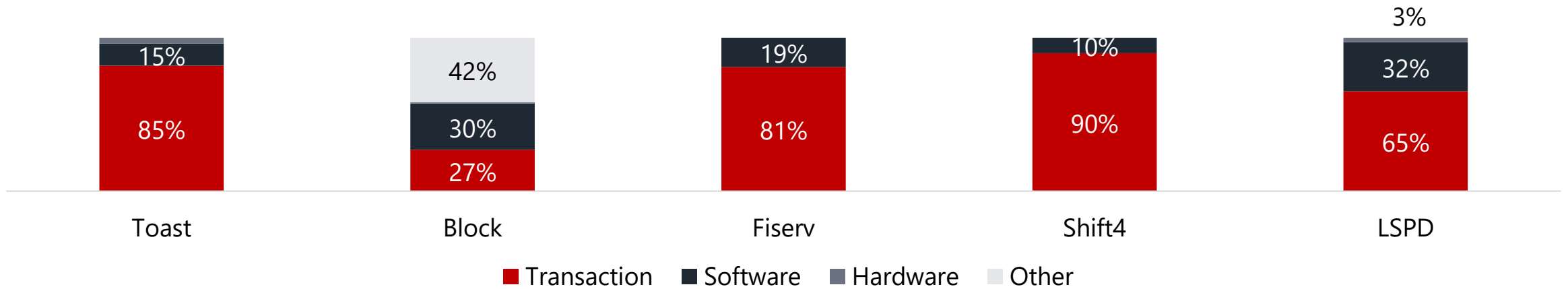




FY24 revenue by geography



FY24 revenue by segment



Appendix | Valuation | Historical income statement



Income Statement	2021	2022	2023	2024	2025	LTM
Revenue	221.7	548.4	730.5	909.3	1,076.8	1,157.5
<i>YoY Growth</i>		147.4%	33.2%	24.5%	18.4%	
Cost of Goods Sold	95.1	277.2	398.5	524.0	626.6	665.5
Gross Profit	126.7	271.2	332.0	385.3	450.2	492.0
<i>% Margin</i>	57.1%	49.5%	45.4%	42.4%	41.8%	42.5%
SG&A	142.8	300.7	349.1	328.4	332.8	354.5
R&D	57.9	121.2	140.4	129.4	120.3	127.5
D&A (incl. Intangibles)	36.5	104.5	115.2	109.6	101.0	124.1
Total Operating Expenses	237.2	526.4	604.7	567.4	554.1	606.1
Operating Income (EBIT)	(110.5)	(255.2)	(272.8)	(182.1)	(103.9)	(114.1)
<i>% Margin</i>	(49.8%)	(46.5%)	(37.3%)	(20.0%)	(9.6%)	(9.9%)
Net Interest Income / (Exp.)	(0.4)	3.0	24.8	42.5	36.5	27.6
Other Non-Operating Items	(19.2)	(63.2)	(826.2)	(20.9)	(592.2)	(590.3)
EBT	(130.1)	(315.4)	(1,074.2)	(160.5)	(659.5)	(677.0)
Income Tax	(5.8)	(26.9)	(4.2)	3.5	7.7	7.8
Net Income	(124.3)	(288.4)	(1,070.0)	(164.0)	(667.2)	(684.8)
<i>% Margin</i>	(56.1%)	(52.6%)	(146.5%)	(18.0%)	(62.0%)	(59.2%)

Appendix | Valuation | Historical balance sheet



ASSETS	2021	2022	2023	2024	2025	LTM
Cash & Equivalents	807.2	953.7	800.2	722.1	558.5	462.5
Accounts Receivable	22.5	44.0	64.2	74.6	70.0	65.6
Other Current Assets	28.1	44.8	70.0	121.2	169.6	165.2
Total Current Assets	857.7	1,042.5	934.3	917.9	798.0	693.3
PP&E, net	29.5	42.0	40.5	37.6	29.8	31.0
Goodwill	971.9	2,104.4	1,350.6	1,349.2	798.0	805.9
Other Intangibles	234.5	409.6	311.5	227.0	159.5	113.7
Other Non-Current Assets	11.6	21.6	31.8	43.5	40.9	37.8
Total Assets	2,105.3	3,620.0	2,668.7	2,575.2	1,826.2	1,681.7
LIABILITIES						
Accounts Payable	22.1	39.2	37.0	33.5	34.1	34.5
Deferred Revenue	45.9	67.3	69.3	68.2	69.8	71.6
Other Current Liabilities	48.2	53.4	45.3	43.8	46.1	43.7
Total Current Liabilities	113.4	157.9	150.5	144.7	149.0	148.8
Long-Term Debt	29.8	29.8	-	-	-	-
Other Non-Current Liabilities	25.2	30.8	19.6	17.3	12.2	12.8
Total Liabilities	171.0	220.7	171.3	162.8	162.2	162.6
Total Equity	1,934.3	3,399.3	2,497.4	2,412.4	1,664.0	1,519.1
Total liabilities and equity	2,105.3	3,620.0	2,668.7	2,575.2	1,826.2	1,681.7

Appendix | Valuation | Historical cash flow



	2021	2022	2023	2024	2025	LTM
Currency	USD	USD	USD	USD	USD	USD
Net Income	(124.3)	(288.4)	(1,070.0)	(164.0)	(667.2)	(684.8)
Depreciation & Amort., Total	26.2	67.8	72.5	73.2	68.0	91.1
Other Amortization	10.2	36.7	42.8	36.4	33.0	33.0
Asset Writedown & Restructuring Costs	0	0	748.7	0	556.4	556.4
Stock-Based Compensation	33.9	108.9	129.2	74.9	55.6	55.8
Other Operating Activities	(0.8)	14.0	8.8	(40.0)	(36.6)	(16.8)
Change in Acc. Receivable	(9.2)	(5.4)	(12.0)	(7.6)	8.9	3.3
Change In Inventories	(0.3)	(6.0)	(5.3)	(3.7)	1.9	7.3
Change in Acc. Payable	(15.3)	6.8	(9.0)	(0.2)	(0.9)	(3.1)
Change in Unearned Rev.	(4.0)	4.6	2.0	(1.1)	1.5	7.7
Change in Inc. Taxes	0.0	1.1	0.2	(5.2)	(0.2)	0.0
Change in Other Net Operating Assets	(9.6)	(27.4)	(33.2)	(60.5)	(53.2)	(19.2)
Cash from Ops.	(93.1)	(87.2)	(125.3)	(97.7)	(32.8)	30.7
Capital Expenditure	(1.8)	(10.7)	(9.2)	(7.5)	(3.8)	(5.4)
Cash Acquisitions	(235.6)	(559.4)	0	0	(7.5)	(1.0)
Sale (Purchase) of Intangible assets	0	0	(3.9)	(10.7)	(19.3)	(34.7)
Invest. in Marketable & Equity Secur.	0	0	(1.5)	0	0	0
Other Investing Activities	2.3	6.2	23.5	44.1	38.7	29.2
Cash from Investing	(235.0)	(563.9)	8.8	26.0	8.0	(11.9)
Long-Term Debt Repaid	(4.4)	(7.0)	(38.9)	(8.2)	(8.4)	0
Issuance of Common Stock	973.5	841.0	4.7	2.1	2.2	1.6
Repurchase of Common Stock	0	0	0	0	(132.3)	(208.8)
Other Financing Activities	(46.9)	(36.0)	(1.3)	(0.1)	(0.2)	(0.2)
Cash from Financing	922.3	798.1	(35.4)	(6.2)	(138.7)	(215.8)
Foreign Exchange Rate Adj.	2.0	(0.4)	(1.6)	(0.1)	(0.2)	0.5
Net Change in Cash	596.2	146.5	(153.5)	(78.1)	(163.6)	(196.5)

Sources: Company Financials

Appendix | Valuation | Consensus estimates



In Millions of USD	2025A	2026E	2027E	2028E	2029E
Revenue	1,076.83	1,219.80	1,352.74	1,509.54	1,668.00
Gross Transaction Value (GTV)	91,300.00	96,697.01	102,226.23	111,152.54	116,665.02
Number of Locations	144.00	160.10	167.01	174.51	186.33
Segment Revenue					
Subscription	344.77	371.31	404.75	451.95	517.87
Transaction-Based	697.27	812.39	912.56	1,005.01	1,171.66
Hardware & Other	34.78	36.84	36.86	38.92	35.84
Adjusted EBITDA	53.69	73.69	94.05	123.92	164.50
Gross Transaction Value (GTV)	91,300.00	96,697.01	102,226.23	111,152.54	116,665.02
Gross Payment Volume (GPV)	7,900.00	40,894.35	45,866.07	52,274.21	61,614.56
Number of Locations	144.00	160.10	167.01	174.51	186.33
Gross Take Rate (%)		1.96	1.95	1.90	1.71
Net Take Rate (%)		0.59	0.58	0.57	
Average Revenue per User (ARPU)		623.43	664.50	695.45	
Subscription		193.96	208.96	226.05	239.22
Transaction-Based		380.19	384.56	399.49	
Gross Profit	450.21	525.56	589.96	661.52	747.40
Gross Margin (%)	41.81	43.06	43.46	43.90	44.01
Research & Development Expense	101.68	107.79	123.74	138.20	174.36
Selling & Marketing Expense	218.30	255.10	276.29	301.27	338.75
General & Administrative Expense	79.86	91.14	97.21	104.70	110.90
EBITDA	53.69	73.69	94.05	123.92	164.50
EBITDA Margin (%)	4.99	6.04	6.95	8.21	9.86
Net Income	69.54	67.07	90.13	119.58	152.00
Net Margin (%)	6.46	5.38	6.52	7.11	6.82
Diluted EPS	0.45	0.49	0.64	0.84	1.10

Sources: Company Financials

Appendix | Valuation | Precedent transactions



Date	Acquiror	Target	EV (\$m)	GMV	EV/Revenue	EV/GP	EV/EBITDA
24-Aug	Shift4	Givex	\$147	\$9,440	3.2x	5.1x	35.7x
24-Jun	Shift4	Vectron AG	\$91	\$0	2.2x	2.9x	32.1x
24-May	Advent International	Nuvei*	\$5,879	\$231,800	4.5x	6.4x	17.9x
23-Nov	Advent International	My POS World	\$549	\$0	8.3x	12.2x	46.0x
23-Jul	GTCR/FNIS	Worldpay	\$18,500	\$0	3.9x	-	9.8x
23-Jan	Nuvei*	Paya	\$1,303	\$48,000	4.6x	11.6x	19.9x
22-Sep	EQT	Billtrust	\$1,453	\$99,300	7.7x	12.7x	-
22-Aug	Global Payments	EVO Payments	\$3,827	\$0	7.2x	8.5x	19.8x
22-Mar	Shift4	Finaro	\$585	\$15,000	-	-	19.5x
22-Feb	Inteqrum Holdings	Merchant e-Solutions	\$290	\$17,000	7.1x	-	-
21-Dec	Thoma Bravo	Bottomline Technologies	\$2,626	\$0	5.4x	12.2x	57.1x
21-Feb	Tyler Technologies	NIC	\$2,300	\$24,000	5.0x	13.9x	21.1x
Average			\$3,129	\$37,045	5.4x	9.5x	27.9x
Median			\$1,378	\$12,220	5.0x	11.6x	20.5x

Precedents have transacted at a value much higher than LSPD's 3-yr median multiple of 1.5x

Appendix | Valuation | Equity research peer set



Comp Bucket	Revenue CAGR		Gross margin	EBITDA Margin	EV / Revenue
	'23-'25E	'25-'27E	CY25E	CY25E	2026E
PoS (n=5)	26.0%	11.3%	42.4%	14.2%	1.9x
Growth Fintech (n = 10)	28.4%	23.6%	47.0%	20.5%	5.0x
SMB Software (n = 4)	11.8%	12.4%	83.7%	28.1%	3.0x
Canadian SaaS (n = 6)	12.4%	11.5%	77.0%	17.4%	1.9x
Acquirers (n = 3)	1.8%	15.9%	61.2%	46.5%	2.9x
Median	13.3%	13.5%	68.7%	20.2%	2.4x
Lightspeed	17.3%	10.0%	43.1%	5.3%	0.6x
Δ to median	4.0%	(3.5%)	(25.6%)	(14.9%)	(1.8x)

LSPD underperforms every bucket of comparables used by research analysts

Appendix | Valuation | Equity research peer set, expanded



\$M	Market Cap	Revenue CAGR		Gross Margin	EBITDA Margin	EV / Revenue	\$M	Market Cap	Revenue CAGR		Gross Margin	EBITDA Margin	EV / Revenue
		'23-'25E	'25-'27E	CY25E	CY25E	2026E			'23-'25E	'25-'27E	CY25E	CY25E	2026E
POS Software Providers							SMB Software						
Toast	\$16,305	26.0%	19.2%	27.2%	10.1%	2.0x	HubSpot	\$12,184	19.8%	16.0%	85.2%	22.5%	3.0x
Shift4	\$5,253	27.9%	19.8%	69.4%	23.2%	1.9x	Xero	\$9,740	13.6%	36.4%	83.7%	30.1%	3.8x
PAR	\$903	27.8%	11.3%	44.5%	5.2%	2.4x	Paycom	\$7,191	10.0%	8.8%	83.7%	42.8%	3.1x
NCR Voytx	\$1,364	(8.6%)	(9.6%)	24.4%	16.0%	1.1x	Ringcentral	\$2,314	6.8%	4.3%	77.3%	26.1%	1.4x
Block	\$33,526	5.3%	10.9%	42.4%	14.2%	1.2x	Median		11.8%	12.4%	83.7%	28.1%	3.0x
Median		26.0%	11.3%	42.4%	14.2%	1.9x	Canadian SaaS						
Growth FinTech							Descartes	\$5,751	12.4%	11.0%	77.0%	45.1%	6.8x
Adyen	\$42,239	24.8%	22.3%	89.9%	50.6%	8.0x	Kinaxis	\$2,582	12.9%	13.1%	64.5%	23.6%	3.6x
Affirm Hldg	\$18,997	38.1%	25.8%	48.0%	20.6%	5.8x	Docebo	\$550	15.7%	11.5%	80.6%	17.4%	1.8x
DLocal	\$3,885	27.1%	28.5%	37.8%	26.4%	2.3x	D2L	\$444	9.2%	8.3%	68.7%	14.4%	1.4x
Global-e Online	\$5,535	29.4%	23.9%	46.1%	20.4%	4.2x	Coveo	\$409	8.6%	13.3%	78.5%	(1.4%)	1.9x
Paymentus Holdings	\$3,112	38.5%	20.9%	24.5%	11.3%	2.0x	Average		11.6%	11.5%	73.0%	13.5%	2.2x
Shopify	\$145,871	27.5%	23.3%	48.4%	17.0%	9.8x	Median		12.4%	11.5%	77.0%	17.4%	1.9x
Median		28.4%	23.6%	47.0%	20.5%	5.0x	Acquirers						
							Fiserv	\$32,271	1.8%	3.2%	61.2%	46.5%	3.0x
							Fidelity Payments	\$26,892	3.8%	15.9%	37.0%	41.0%	2.9x
							Global Payments	\$20,402	(1.7%)	21.7%	77.8%	48.9%	2.7x
							Median		1.8%	15.9%	61.2%	46.5%	2.9x



Terminal growth method

		<u>Downside</u>				
		Long term growth rate (g):				
		1.5%	2.0%	2.5%	3.0%	3.5%
CoE:	14.7%	(34.5%)	(33.7%)	(32.8%)	(31.8%)	(30.8%)
	13.7%	(30.8%)	(29.8%)	(28.7%)	(27.4%)	(26.1%)
	12.7%	(26.4%)	(25.1%)	(23.7%)	(22.1%)	(20.3%)
	11.7%	(21.0%)	(19.3%)	(17.4%)	(15.3%)	(13.0%)
	10.7%	(14.4%)	(12.1%)	(9.6%)	(6.8%)	(3.5%)

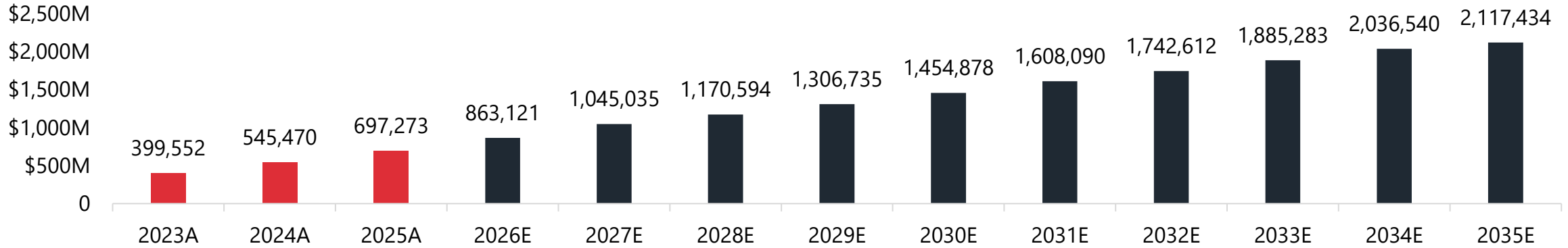
Exit multiple method

		<u>Downside</u>				
		Exit P/E Multiple				
		9.6x	11.6x	13.6x	15.6x	17.6x
CoE:	14.7%	(33.3%)	(29.2%)	(25.1%)	(20.9%)	(16.8%)
	13.7%	(31.2%)	(26.8%)	(22.3%)	(17.9%)	(13.4%)
	12.7%	(28.9%)	(24.1%)	(19.3%)	(14.5%)	(9.7%)
	11.7%	(26.4%)	(21.2%)	(16.1%)	(10.9%)	(5.7%)
	10.7%	(23.7%)	(18.1%)	(12.5%)	(7.0%)	(1.4%)

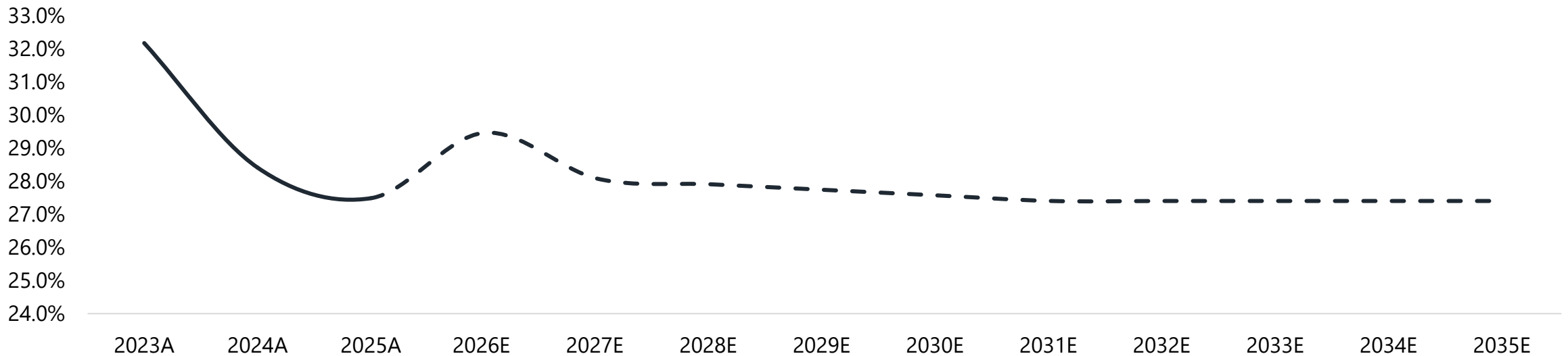
Appendix | Valuation | Transaction segment base case forecast



Revenue



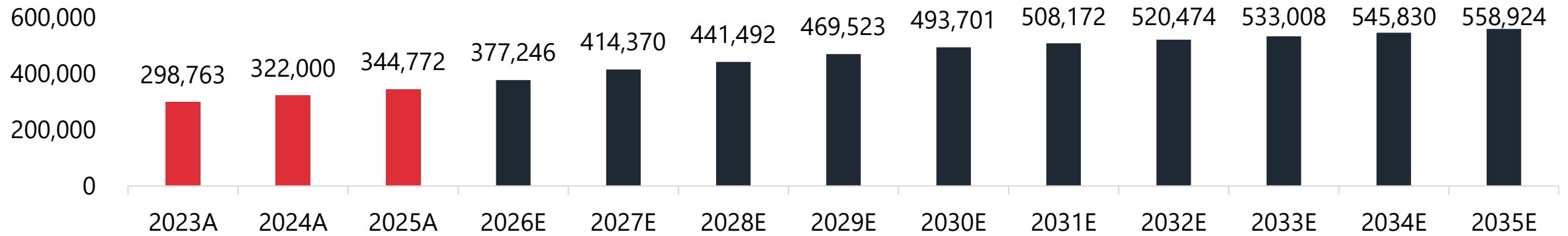
Gross margin



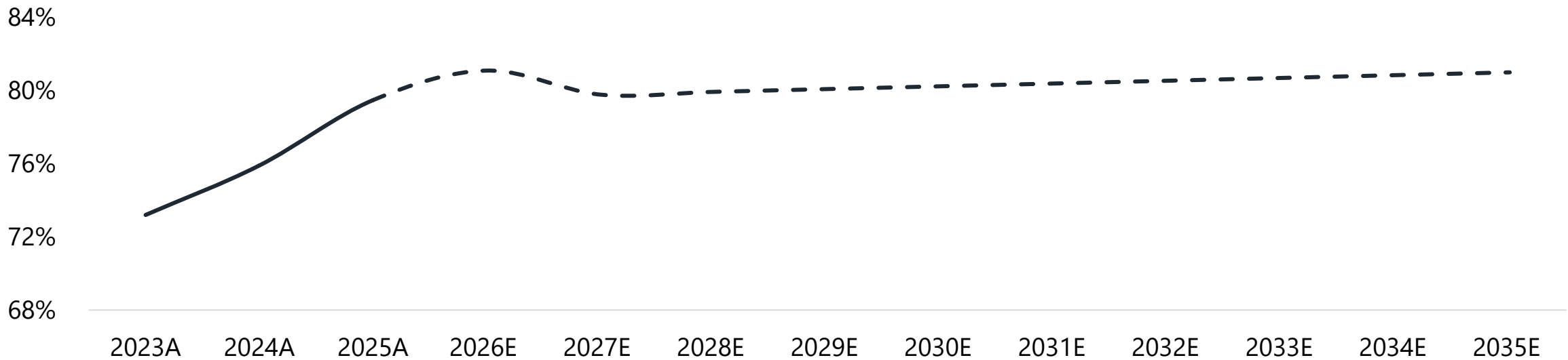
Appendix | Valuation | Subscription segment base case forecast



Revenue



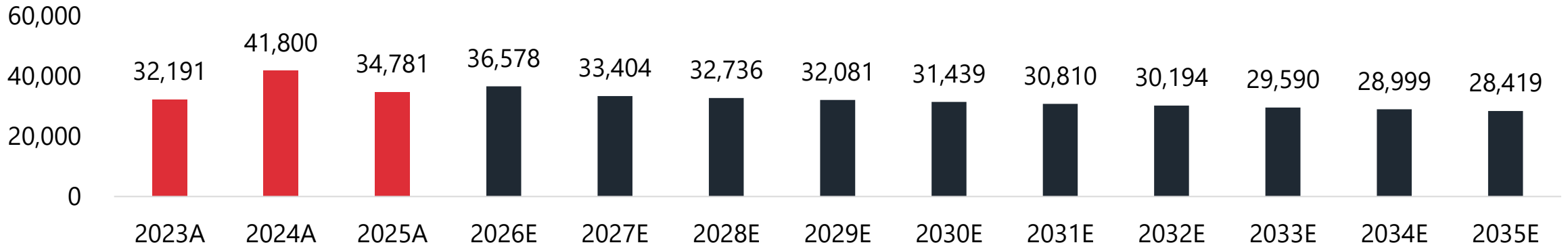
Gross margin



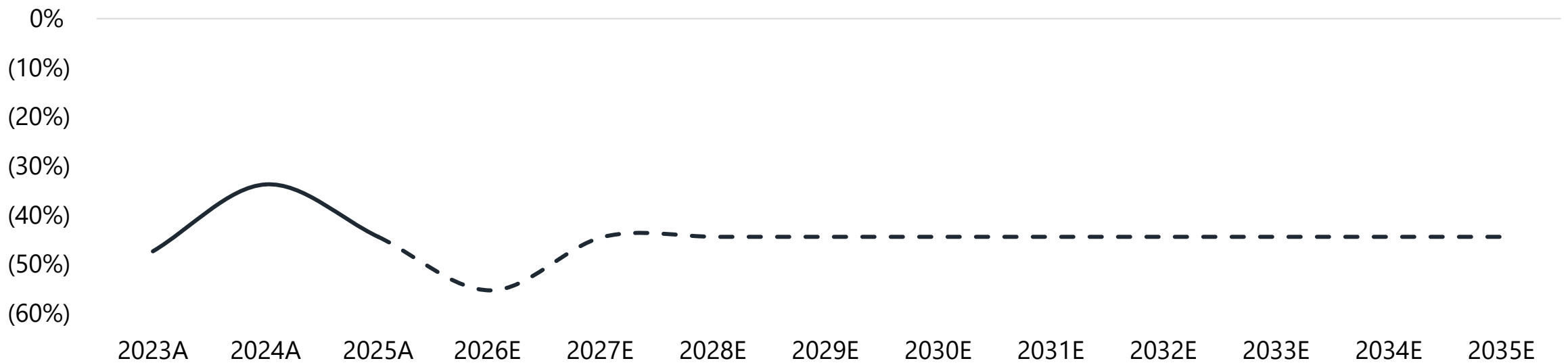
Appendix | Valuation | Hardware segment base case forecast



Revenue



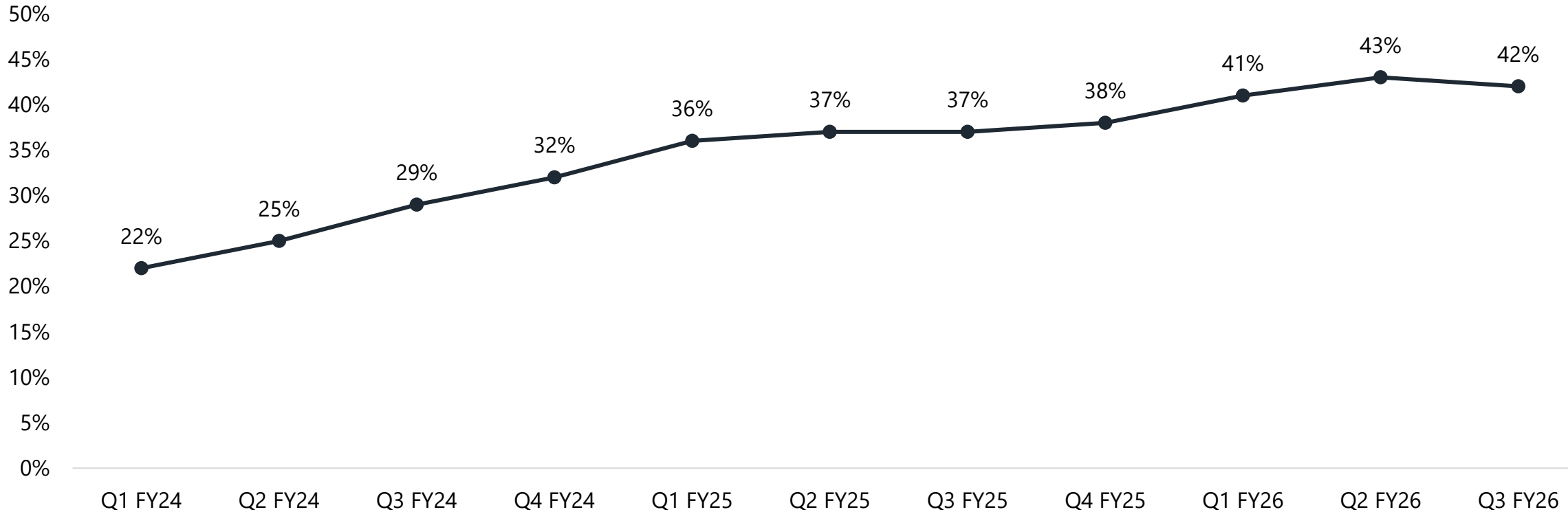
Gross margin



Appendix | Valuation | Historical payments penetration



Payments penetration



Where Gross Payment Volume as a % of Gross Transaction Volume measures attach rate

Appendix | Valuation | TSX Beta Calculation



Since Inception Monthly

Metric	Result
Beta	2.60
Multiple R	0.5852
R Squared	0.2425
Adjusted R Square	0.3344
Observations	83 months

Since Price Drop (May 2022) Monthly

Metric	Result
Beta	1.86
Multiple R	0.4937
R Squared	0.2437
Adjusted R Square	0.2266
Observations	46 months

Since Inception Weekly

Metric	Result
Beta	2.36
Multiple R	0.5171
R Squared	0.2674
Adjusted R Square	0.2653
Observations	361 weeks

Since Price Drop (May 2022) Weekly

Metric	Result
Beta	1.98
Multiple R	0.4868
R Squared	0.2370
Adjusted R Square	0.2317
Observations	145 weeks

LSPD has a beta that is significantly larger than 1, even when you take out the large fluctuations in price pre-2022

Appendix | Valuation | S&P 500 Beta Calculation



Since Inception Monthly

Metric	Result
Beta	2.61
Multiple R	0.6494
R Squared	0.4217
Adjusted R Square	0.4146
Observations	83 months

Since Price Drop (May 2022) Monthly

Metric	Result
Beta	1.89
Multiple R	0.5552
R Squared	0.3083
Adjusted R Square	0.2926
Observations	46 months

Since Inception Weekly

Metric	Result
Beta	2.38
Multiple R	0.6048
R Squared	0.3658
Adjusted R Square	0.3641
Observations	361 weeks

Since Price Drop (May 2022) Weekly

Metric	Result
Beta	2.06
Multiple R	0.6210
R Squared	0.3856
Adjusted R Square	0.3825
Observations	145 weeks

LSPD has a beta that is significantly larger than 1, even when you take out the large fluctuations in price pre-2022

Appendix | Valuation | Russell 3000 Beta Calculation



Since Inception Monthly

Metric	Result
Beta	2.63
Multiple R	0.6748
R Squared	0.4553
Adjusted R Square	0.4486
Observations	83 months

Since Price Drop (May 2022) Monthly

Metric	Result
Beta	1.96
Multiple R	0.5969
R Squared	0.3563
Adjusted R Square	0.3413
Observations	46 months

Since Inception Weekly

Metric	Result
Beta	2.39
Multiple R	0.6264
R Squared	0.3924
Adjusted R Square	0.3907
Observations	361 weeks

Since Price Drop (May 2022) Weekly

Metric	Result
Beta	2.07
Multiple R	0.6358
R Squared	0.4042
Adjusted R Square	0.4012
Observations	145 weeks

LSPD has a beta that is significantly larger than 1, even when you take out the large fluctuations in price pre-2022



P/E multiple rationale

- LSPD has no net debt, so we opted for a levered DCF, as it yields a similar output to a levered DCF while accounting for debt equivalents, namely operating leases
- Since we used a levered DCF we used P/E since it is an equity value multiple

Unlevered DCF valuation based on EV/EBITDA exit multiple

Mature payments peers (used to derive the current exit multiple)		Primary POS competitors (included in comparable company analysis)	
DCF output		DCF output	
EV/EBITDA multiple	6.3x	EV/EBITDA multiple	9.7x
Total enterprise value	408,458	Total enterprise value	545,149
(-) Net debt	408,458	(-) Net debt	408,458
Total equity value	863,060	Total equity value	999,751
Implied share price	\$6.83	Implied share price	\$7.91

An unlevered DCF using an EV/EBITDA exit multiple yields a valuation consistent with the levered DCF result of \$7.18

Sources: Company filings

Appendix | Valuation | Comparables table

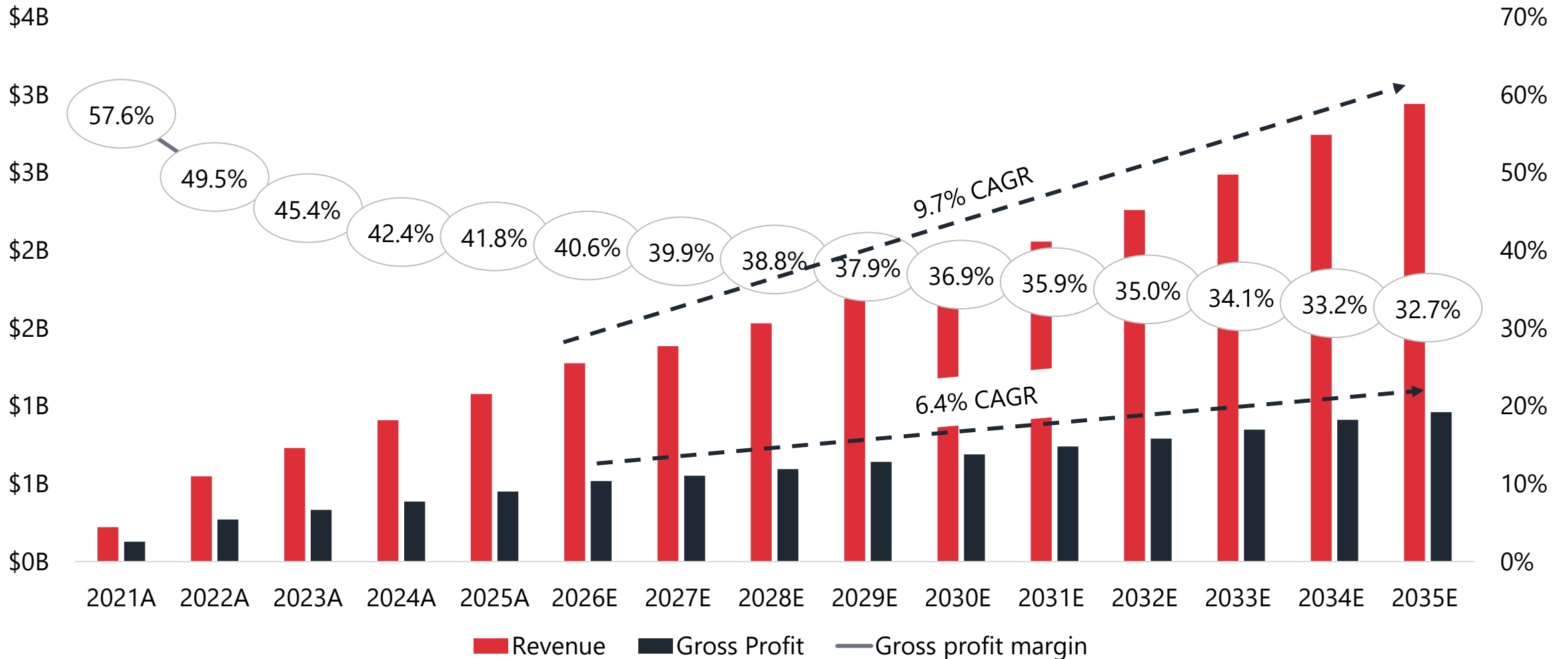


	EV	Revenue CAGR		Gross Margin	EBITDA Margin	EV/GP		P/E	
		'21-'24A	'24-'27E	CY25A	CY25A	CY25A	CY26E	CY25A	CY26E
Fiserv	\$58,280	6.1%	0.8%	59.4%	42.9%	4.6x	5.0x	12.1x	6.9x
Block	\$43,897	11.3%	6.7%	43.1%	8.9%	4.2x	3.6x	46.4x	19.5x
Toast	\$14,440	31.1%	20.7%	26.0%	6.2%	9.0x	2.4x	76.6x	21.9x
Shift4	\$8,624	28.0%	20.2%	34.2%	19.4%	6.0x	7.4x	31.3x	7.7x
Average		19%	12%	41%	19%	6.0x	4.6x	41.6x	14.0x
Median		20%	13%	39%	14%	5.3x	4.3x	38.9x	13.6x
Lightspeed	834.4	19.7%	10.8%	42.8%	(1.9%)	1.9x	1.4x	n.m.	

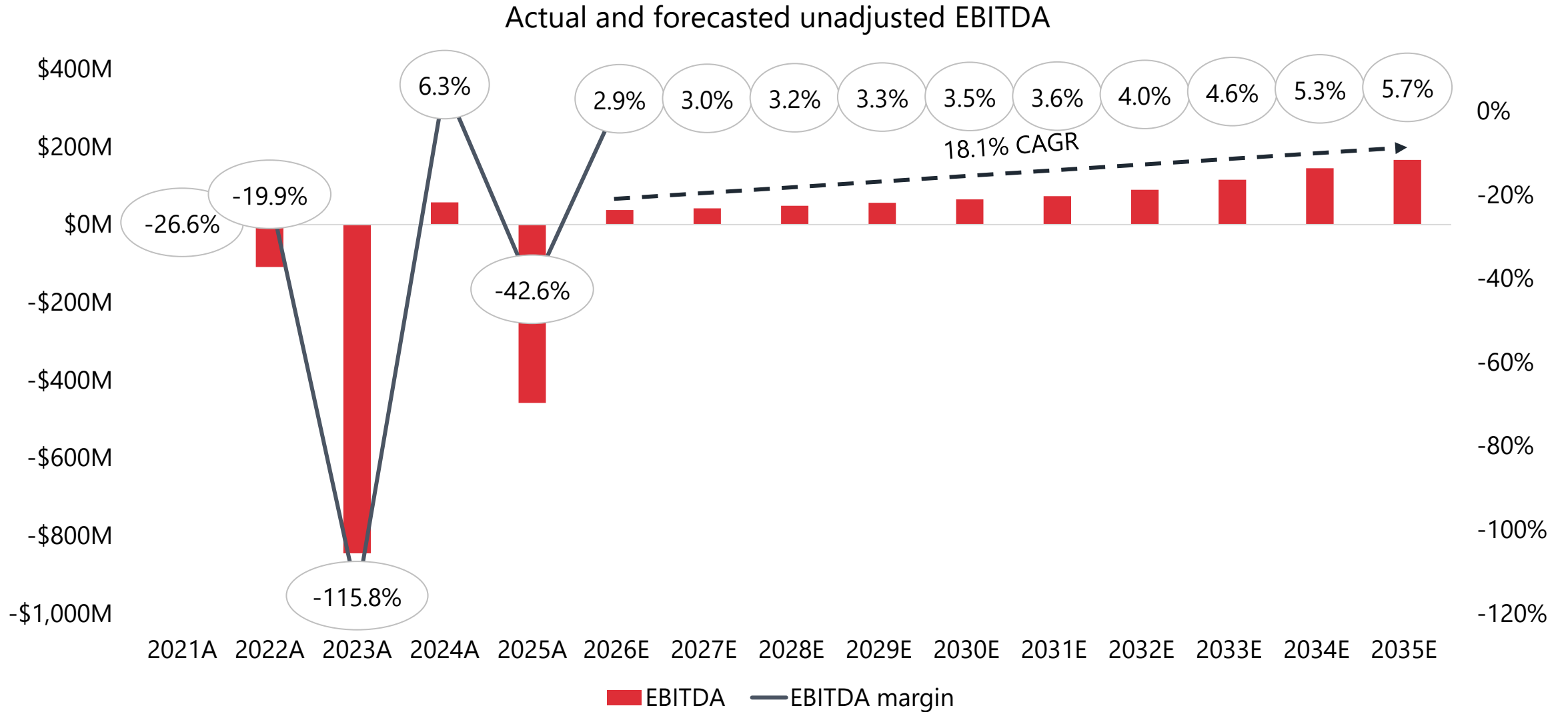
Appendix | Valuation | Revenue and gross profit projections



Actual and forecasted revenue and gross profit

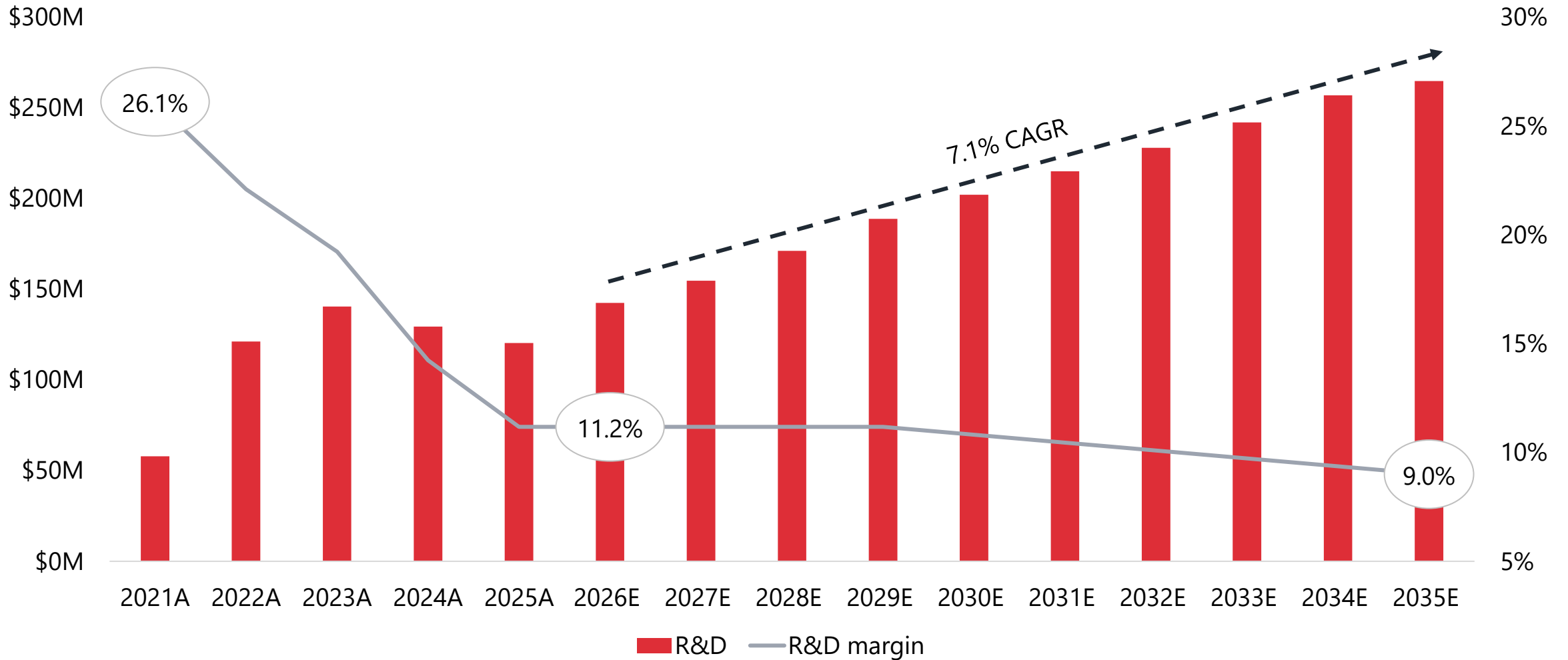


Appendix | Valuation | Unadjusted EBITDA projections



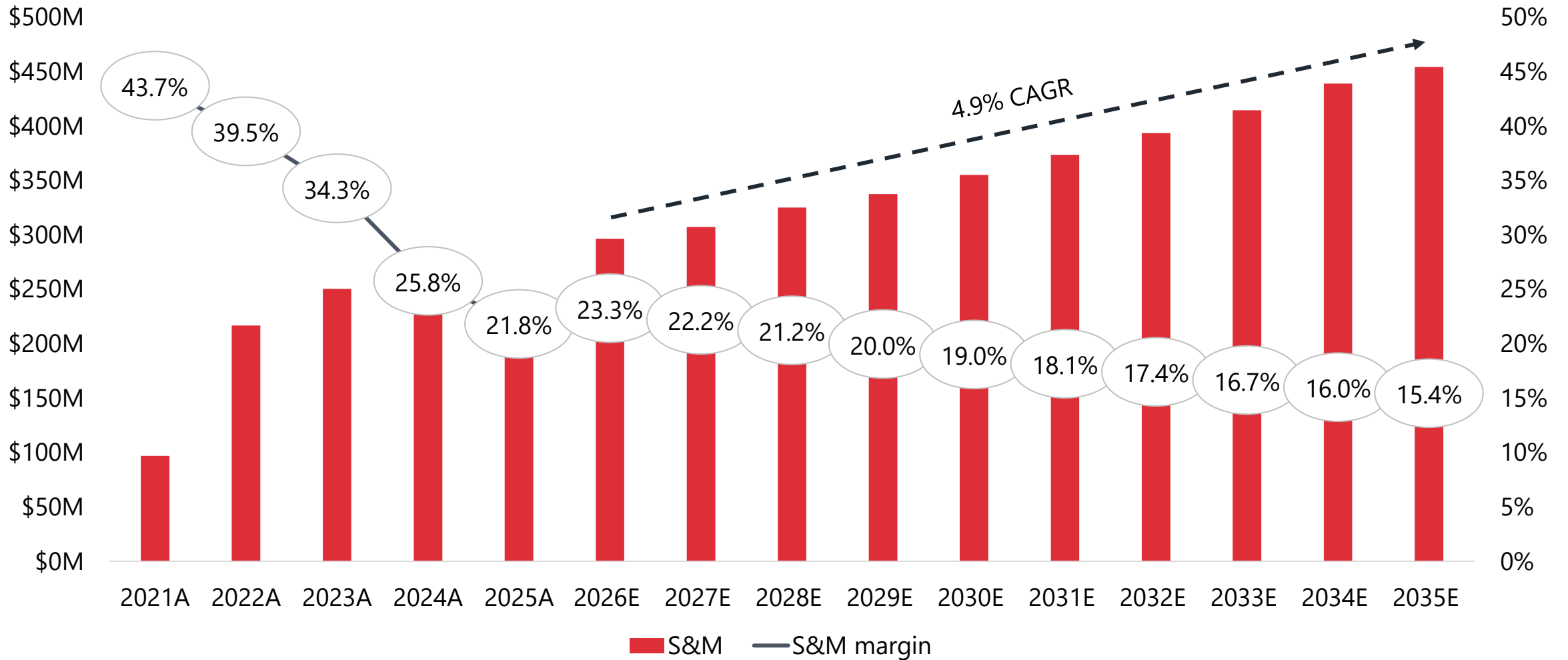


Actual and forecasted R&D





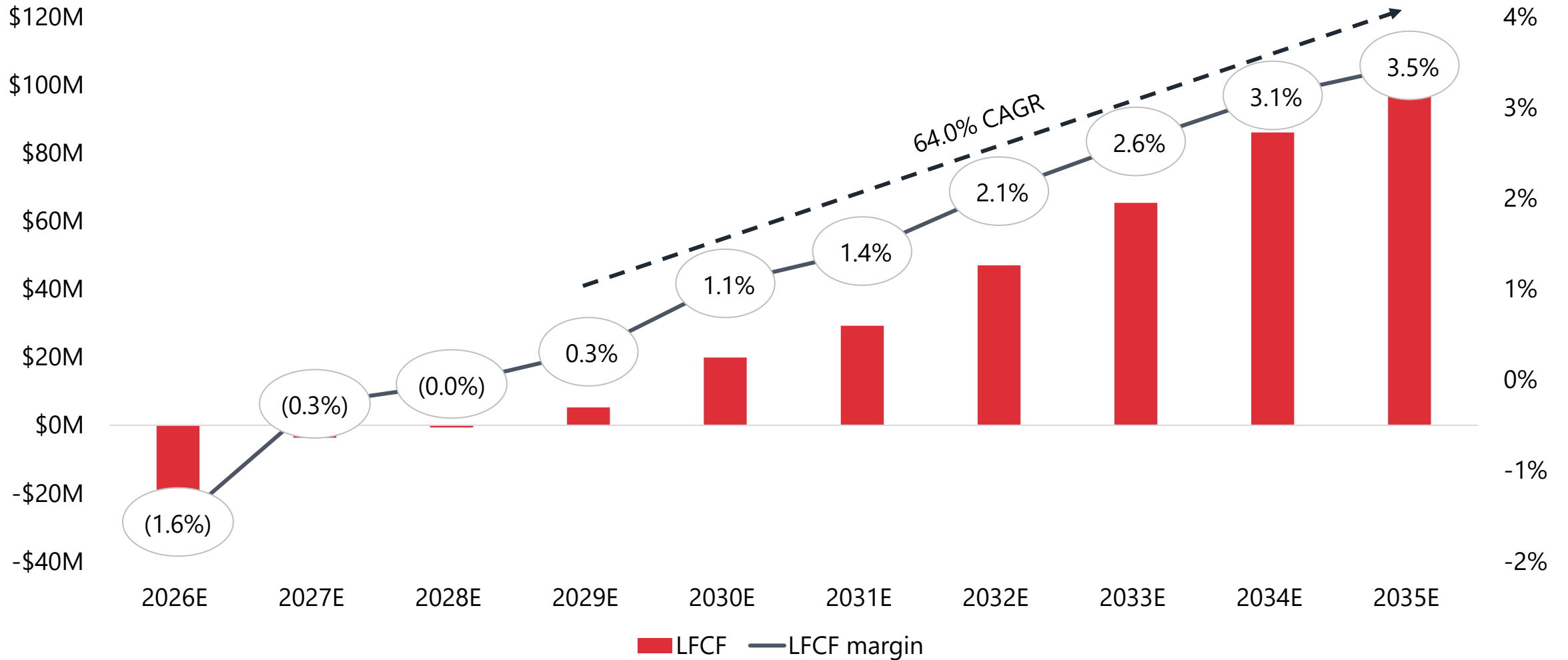
Actual and forecasted S&M



Appendix | Valuation | LFCF projections



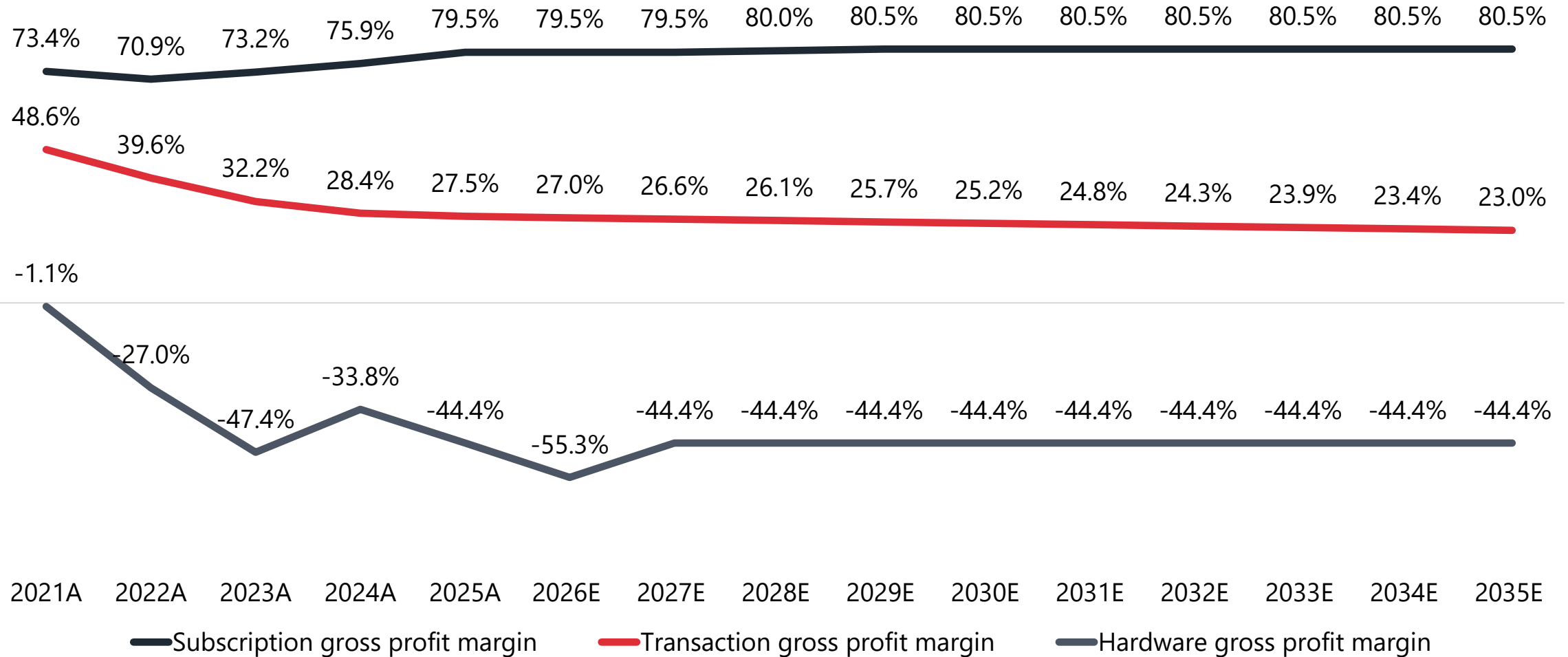
Forecasted LFCF



Appendix | Valuation | Segment margin projections

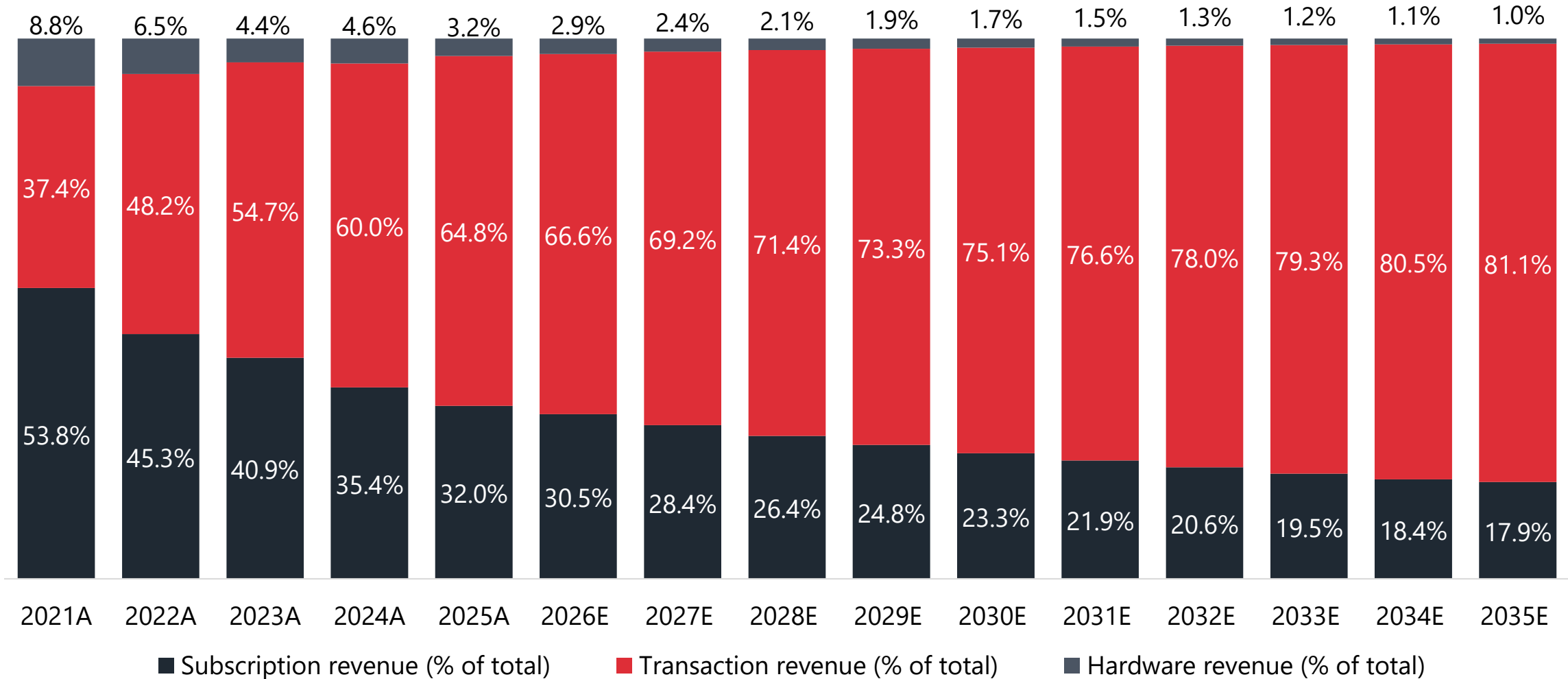


LSPD segment gross margin projections





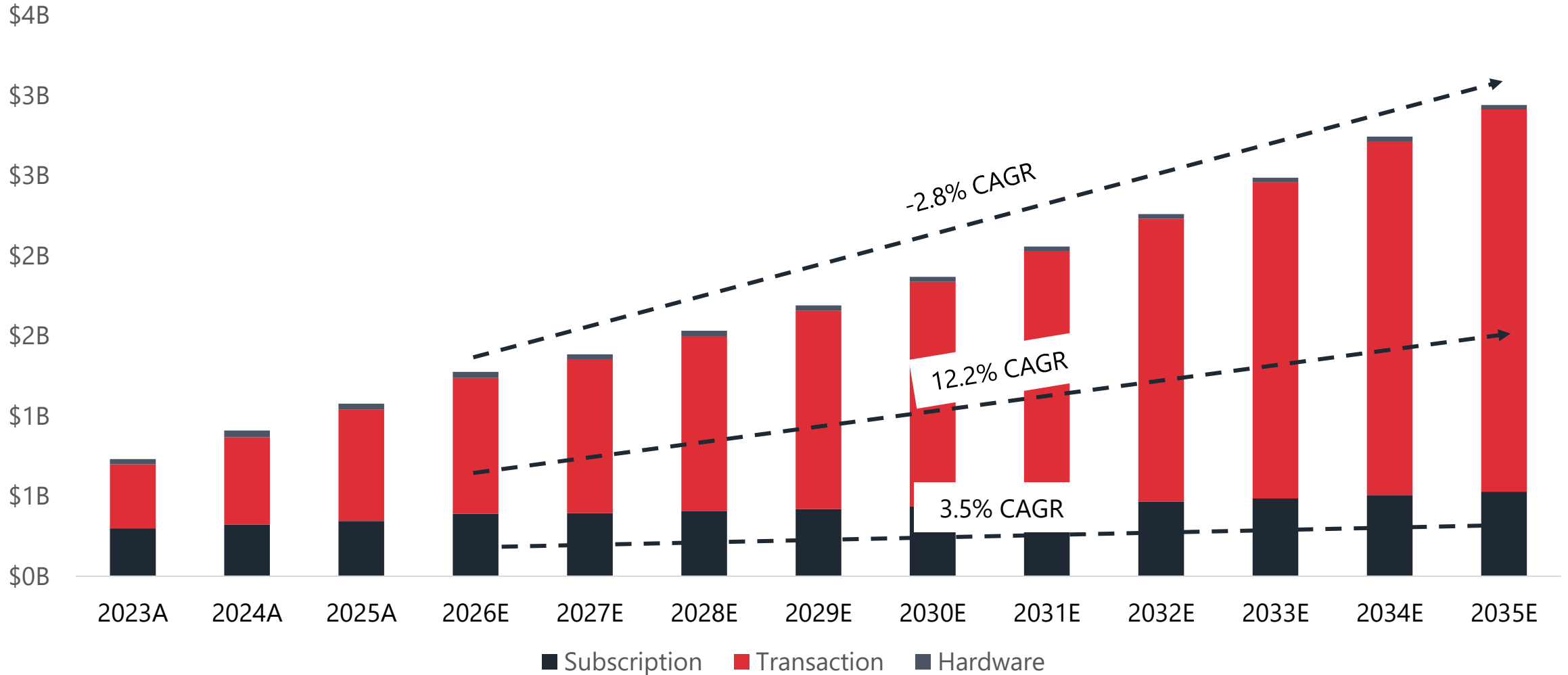
LSPD segment mix projections



Appendix | Valuation | Segment growth projections

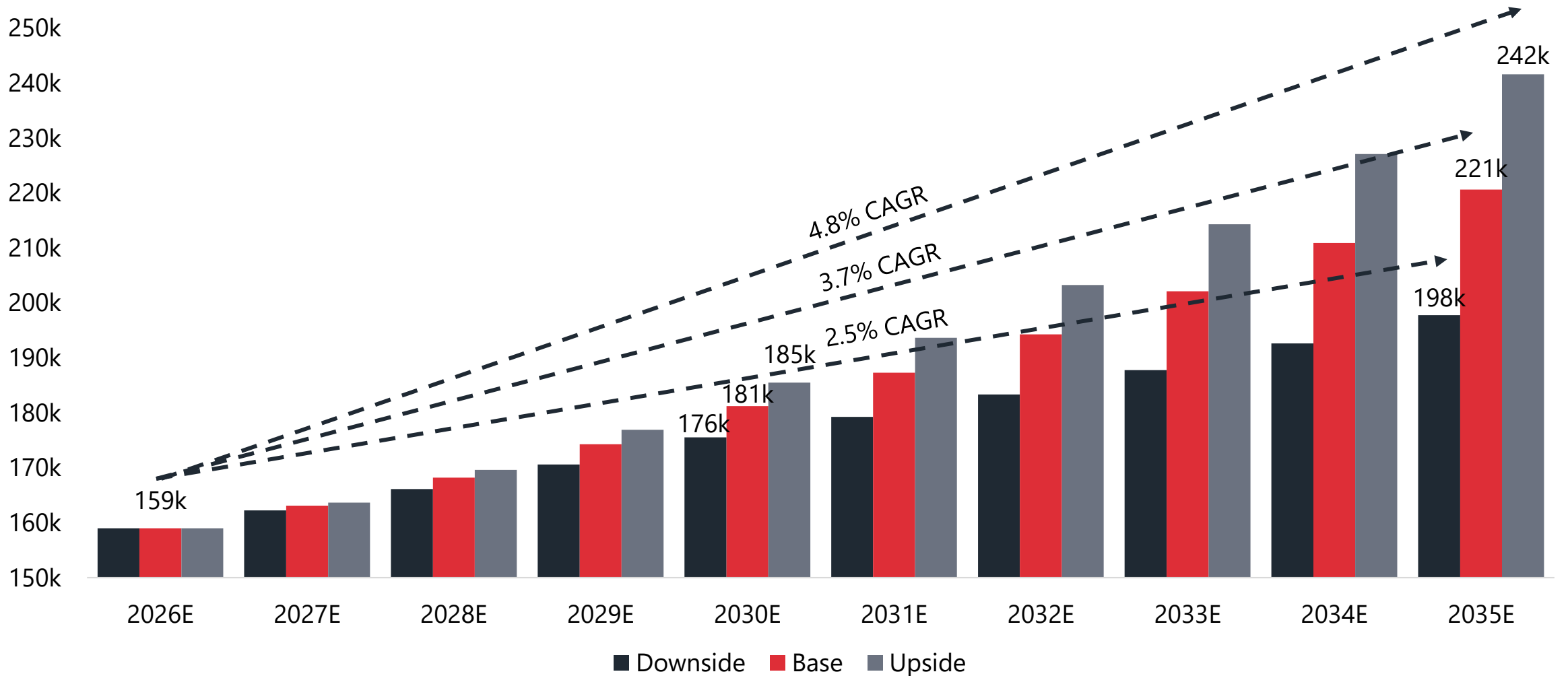


LSPD segment growth rate projections



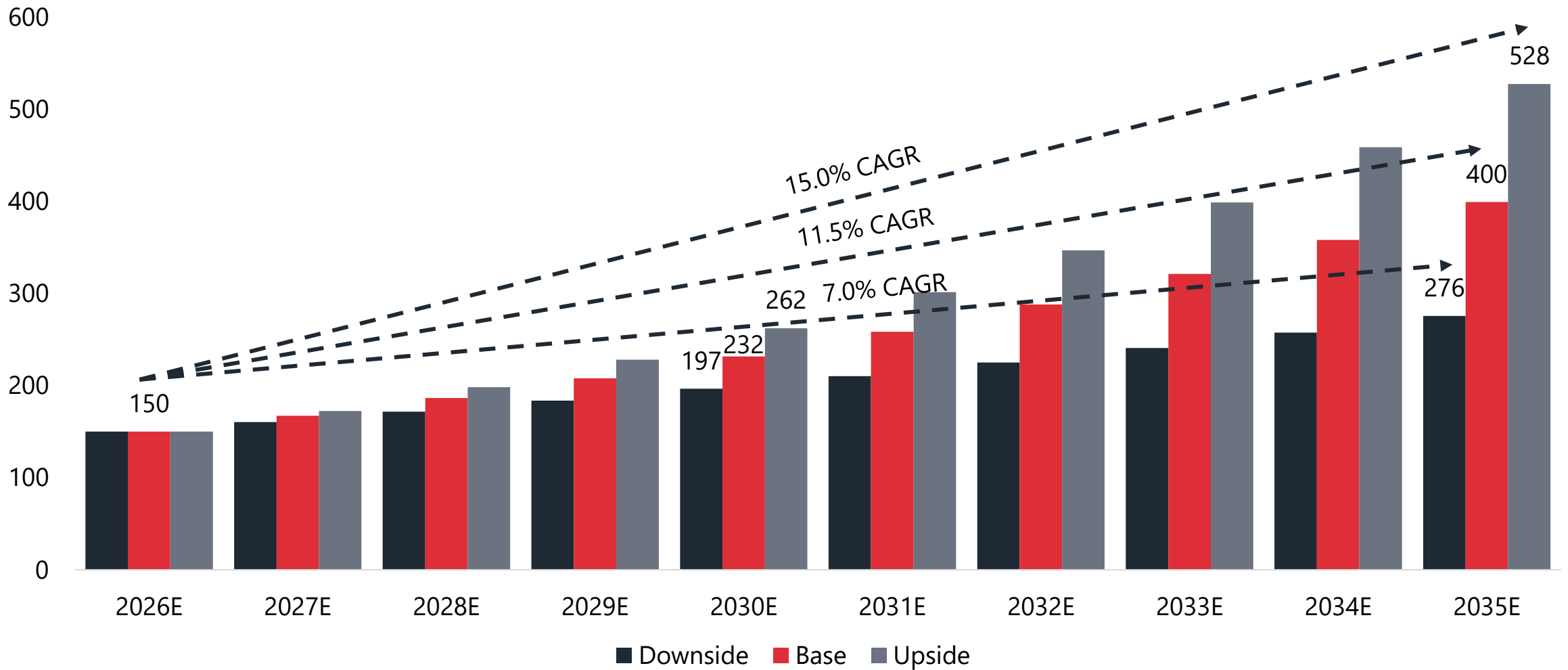


LSPD customer location projections

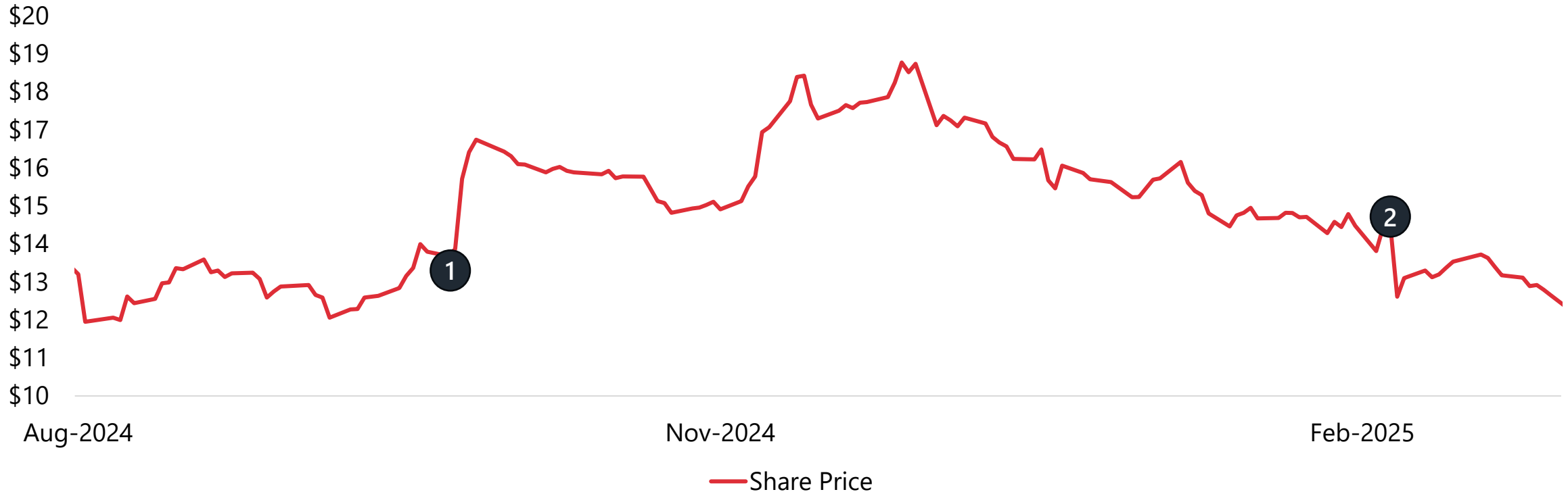




LSPD total sales representative projections



Appendix | Risks | Results of recent strategic review



1 **September 25, 2024**
LSPD comments on market rumors of a potential transaction, confirming the company is currently undertaking a strategic review
LSPD stock price rises 13.3%

2 **February 6, 2025**
LSPD announces plans to remain public, concluding that "the best way to drive maximum shareholder value is to continue as a public company"
LSPD stock price drops 12.9%



Assuming an entry of **10x EBITDA**, a potential buyer would need to hold for at least 5 years and see **6x multiple expansion** to get moderate returns

Entry Assumptions	
Entry LTM EBITDA (FY2026E)	\$77,704
Entry EV / EBITDA Multiple	10.0x
Entry Enterprise Value	\$777,037
Less: Existing Net Debt	(\$558,469)
Purchase Price	\$1,335,506

Exit Multiple (EV / NTM EBITDA)	Exit Year				
	2031	2029	2030	2031	2032
14x	1.6% / 1.1x	6.3% / 1.4x	10.4% / 2.0x	13.0% / 2.7x	13.7% / 3.2x
15x	3.4% / 1.2x	7.6% / 1.6x	11.6% / 2.2x	14.0% / 2.8x	14.5% / 3.4x
16x	5.0% / 1.3x	8.9% / 1.7x	12.6% / 2.3x	14.9% / 3.0x	15.3% / 3.6x
17x	6.5% / 1.4x	10.2% / 1.8x	13.7% / 2.5x	15.7% / 3.2x	16.1% / 3.8x
18x	7.9% / 1.5x	11.3% / 1.9x	14.6% / 2.6x	16.6% / 3.4x	16.8% / 4.0x

Appendix | Risks | Upserve return analysis



Purchase assumptions		Exit assumptions	
Cash	123	Cash	44
Earnout	0	Earnout	37
Debt	0	Debt	0
Stock	307	Stock	0
Purchase EV	430	Purchase EV	81

FCF assumptions

Revenue Assumes steady revenue growth from \$40M in FY20 to \$140M in FY26 (both figures disclosed).

Gross profit Assumes a 5% decline in gross margin over time, reflecting increased payments penetration, resulting in \$26M gross profit in FY26 (disclosed).

SG&A, R&D, Depreciation, and changes in NWC Assumed to be in line with LSPD's SG&A and R&D margin profile.

Amortization of intangibles and other OpEx Excluded, as these are not specific to Upserve.

		EV/Revenue exit multiple				
		0.1x	0.3x	0.6x	0.8x	1.1x
Gross margin growth	0.0%	(82.9%)	(79.1%)	(74.3%)	(68.0%)	(57.5%)
	2.5%	(80.1%)	(75.7%)	(69.8%)	(60.9%)	(29.2%)
	5.0%	(76.9%)	(71.5%)	(63.7%)	(47.2%)	56.7%
	7.5%	(73.1%)	(66.1%)	(53.7%)	51.9%	65.4%
	10.0%	(68.2%)	(58.0%)	43.9%	62.9%	71.0%

Multiple assuming earnout is not paid

Multiple assuming earnout is paid



Why they would

Why it doesn't make sense to



- LSPD hospitality focus in EU and APAC would give Toast international presence beyond its current footprint (U.S., Canada, UK)

- No precedent for large scale M&A and preference for entering new markets organically (ex: UK)
- Pureplay hospitality focus



- Strong experience in M&A, acquiring company like LSPD with limited integration in the payments value chain
- Potential to migrate LSPD onto their payment infrastructure to boost take rates

- Higher leverage levels (~5.7x net debt/EBITDA) and still integrating past acquisitions
- **Higher CAC than past acquisitions**



- Aligns with Clovers expansion in the EU
- Potential to migrate LSPD onto their payment infrastructure to boost take rates
- Leverage bank distribution to cross sell

- In the process of integrating CCV, Payfare, and AIB acquisitions
- **Higher CAC than past acquisitions**

Appendix | Risks | Change in CEO



1
February 2, 2022
LSPD announces Dax Dasilva will be stepping down as CEO and becoming Executive Chairman; JP Chauvet is announced as his replacement
LSPD stock price drops 7.3%

2
February 15, 2024
LSPD board appoints Dax Dasilva as Interim CEO; JP Chauvet states that the person to improve perception of LSPD is Dasilva, whose "forte has always been messaging"
LSPD stock price rises 7.7%



LSPD has struggled to find a successor to Dax

February 2022

THE GLOBE AND MAIL

Dax Dasilva departs as CEO, JP Chauvet takes over (formerly President)



February 2024

FINANCIAL POST

Dax Dasilva returns as **Interim CEO** to help turn around the struggling business

Present Day

LSPD has removed the 'Interim' title from Dax, confirming him as CEO as the search for a replacement failed

The replacement for the outgoing president has unrelated experience...

...so the market punished LSPD



Medallia (2014 to 2024)

Global CRO for an AI-enabled customer experience management software company, collecting data across each customer touchpoint and providing insights

Success achieved at Medallia will be difficult to replicate as it is a different customer base (SMB vs enterprise), the PoS market is more competitive, and LSPD growingly is a payments business rather than a software business





JD Saint-Martin



In November 2025, JD Saint-Martin announced that he would be stepping down as President effective in March 2026



Lightspeed Commerce (2019 to Present)
Joined LSPD after the acquisition of Chronogolf in 2019, and has come to lead over sales functions



Chronogolf (2013 to 2019)
Co-founded Chronogolf and led the company as CEO until it was acquired



Teralys Capital (2010 to 2013)
Analyzed potential investments with a fund focus on IT, life sciences, and clean or industrial innovations

JD has shown a long-term interest in venture and early-stage investing, and has been focused on working with B2B founders since announcing his planned departure

Gabriel Benavides



In November 2025, Gabriel Benavides is announced as the new Chief Revenue Officer, effective immediately



Lightspeed Commerce (2025 to Present)
Joined LSPD in December to lead global revenue generation by accelerating outbound performance



Contentsquare (2024 to 2025)
Global CRO for a customer experience platform that offers AI-powered insights



Medallia (2014 to 2024)
Worked in various sales roles for a customer experience platform

Although Gabriel has strong sales experience, his success has been in industries unrelated to PoS systems or payments, that are currently in relatively earlier stages with more whitespace



Experts

Expert A	• Senior Technology Leader, 10+ years experience in the Hospitality industry
Expert B	• Former LSPD Senior Account Manager, 5+ years experience in the PoS industry
Expert C	• Former LSPD Account Management Team Lead, 7+ years experience in the PoS industry
Expert D	• Former LSPD Senior Product Manager, 5+ years experience in the PoS industry
Expert E	• Consultant, 22+ years of experience advising PoS and payments businesses
Expert F	• Fiserv Senior Engineer, 14+ years experience developing software platforms
Expert G	• Engineer at major North American apparel retailer, 18+ years experience with large-scale PoS and payments

Sample customers

Customer A	<i>Sales Manager @ US-based small multi-location retailer</i> • Noted attractive price-point of LSPD, however indicated concerns with modularity and access to different non-integrated components, especially related to multi-site platforms
Customer B	<i>Founder, Owner @ EU restaurant</i> • Migrated from LSPD to new a PoS due to many sales/support issues, noted software being non-startup friendly with high competition in the space that were easy to swap to
Customer C	<i>Regional Manager @ NA restaurant operator</i> • Operates multiple locations using both Toast and LSPD, reported recurring LSPD system outages (approximately monthly) and faster ticket times with Toast due to its ease-of-use
Others (49)	Brewery manager, president of café chain, restaurant owner x2, restaurant manager x2



Multiple code bases are expensive to maintain, and costly/time-intensive to integrate

Former LSPD Senior Product Manager | November 2025

"LSPD is currently maintaining multiple code bases as a result of their acquisitions. Trying to integrate these onto one platform would be very costly; LSPD is still years away from achieving this"

Customers do not view LSPD product as truly integrated

Former LSPD Senior Product Manager | November 2025

"They [LSPD] have more diverse products, but it meant code bases were completely different. For customers it might be okay, but for the back-end they were struggling."

Acquisition strategy resulted in a fragmented, disjoint entity

North American Retailer | October 2025

"[LSPDs] integrations are misleading [...]. Merchants are forced to maintain two checkout systems, which is inefficient and misleadingly presented as seamless."

Customers are not aware of different LSPD integrations

Former LSPD Sales Executive | December 2025

"LSPD's goal was to acquire and buy out competition and then rebrand products under LSPD. The result was 10 different LSPDs, all of which didn't talk to each other."

North American Retailer | November 2025

"LSPD does a poor job of informing customers of available integrations, making them difficult to access and use"



Expert B

(Former LSPD Senior Account Manager, 5+ years experience in the PoS industry)

Intro – background, experience at LSPD?

- NA based: worked in several different areas with variety of customers, from 1-store to 50-store chains (\$50k sales/year to \$50-\$100M sales/year)
- Account management; primary goal was payment penetration, didn't do much new business

Thoughts on the payments push?

- Helped engineer, piloted the first, and was the first person to launch
- Understood the monetary perspective, but socially/ethically, **harmed customer relationships**
- Created **lack of trust and difficulty to upsell** later; however customers would still come when they had new stores

How sticky are the customers?

- **Quite sticky** as the lift required to change your PoS provider is difficult
 - Don't allow you to bring in historical sales, need to retrain staff, time investment in moving over inventory, etc. Inherently, it's a hassle for a business owner – it really needs to be a large negative
- **LSPD and Shopify limit switching costs** – products are intuitive and match customer needs
- Stickiness in common since most customers are converted from older product, market is very saturated

Thoughts on outbound sales strategy?

- Method of **cost cutting**
- Previous marketing budgets are huge, so you replace it with SDRs with low base and high commission



Expert C

(Former LSPD Account Management Team Lead, 7+ years experience in the PoS industry)

Intro – why did you go from LSPD to SHOP?

- Moved to SHOP because of the big push in May 2023 to have every single merchant adopt payments
 - Felt like he was **bullying customers he spent the last 3-4 years building a relationship with**; If you don't switch to payments, get hit with a massive fee

Can you tell us about LSPD's focus on payments and forcing it on customers?

- Told customers that "you're going to love LSPD payments - integrated, works great, I wish that was the case. When it worked, it was a good tool. But **there were some [technical] issues with payments.**"
- Told customers that "if we can't beat or match your rates with your existing payment processor then you don't have to switch over."
 - **Merchants didn't care about rates**, they've had same payment processor for 20 years, a business bank account, and other implications if they change processors (i.e., higher bank charges go up)
- "Everyone [the team] was pissed. **Nobody wanted to be doing that. It was painful.**" Few months later few others left (4/5)

Comments on the product and development?

- Started buying a lot of hospitality/restaurant business in Europe with the goal to buy out competition, rebranding them all to LSPD. **They realized it felt like having 10 different LSPDs, where people didn't talk to each other, so they stopped selling products, stop offering support.** Started doing 'suggested' migrations - saying they would stop developing a tool and highly suggested you move over to another
- Not only PoS platforms don't mesh, but different groups of people, and teams as well

Thoughts on management?

- Felt like **decisions from Dax were out of touch** and they didn't care about employees; was clear they've never been in sales
- There were too many people with too many backgrounds trying to make decisions without research



Expert D

(Former LSPD Senior Product Manager, 5+ years experience in the PoS industry)

Is there anything you think is important about the business that people might miss?

- Golf is future looking so there are many components of the business, including ski resorts
 - Competitors are non-existent in these areas; **it is an untapped market**
- Long-term view is an all-inclusive solution for resorts. Short-term gains are clearer in other markets, but they are looking at the other products more long-term

Thoughts on LSPD Capital?

- Started as an experiment that sales team tried because everyone was doing it
 - It as legally hard to start up; many constraints, especially in EU
- Too much risk so they have **started using external lenders** in the North American market

Are there any competitors that could enter those [Capital, Golf] markets as well?

- **Capital:** Anyone can. EU is harder due to legal. Other barrier is customer base, mostly small businesses
- **Golf:** More niche products, LSPD did M&A to enter space

What makes LSPD better than peers?

- They have more diverse products, but it meant **code bases are completely different**
 - For customers it might be okay, but for back-end it is still struggling

Is there anything LSPD does that is very standout?

- Cannot think of anything. Nothing that different, nothing to move faster
- They are slower with how products are built and how changes are made, and as a result they **don't make a lot of mistakes**



Customer A (Sales Manager @ US-based small multi-location retailer)	
What is important to you when picking a PoS system?	<ul style="list-style-type: none"> Reliability, the system must always stay up and operational, especially during busy days Reporting capabilities for customer behaviour to help drive sales Theft-prevention; if the system has security measures in place <ul style="list-style-type: none"> “LSPD is weak in internal security controls”
Why did you choose LSPD?	<ul style="list-style-type: none"> Saw other competitors with similar profiles but they were cost prohibitive <ul style="list-style-type: none"> There are better programs but can't justify the price point at their size
How often do you look for new PoS systems?	<ul style="list-style-type: none"> Only every 2-3 years, mostly quick google searches for PoS systems Almost switched to Shopify a little over a year ago since they introduced multi-site platforms and were looking for PoS systems that would work for e-commerce
Why not Shopify?	<ul style="list-style-type: none"> Pain of switching always plays a factor and huge learning curve with costs

Rankings for various metrics		
Price	5/5	<ul style="list-style-type: none"> Affordable price point relative to offering
Support	5/5	<ul style="list-style-type: none"> Usually quick, but few times where rep needed to be involved
Analytics	5/5	<ul style="list-style-type: none"> Great if you have the LSPD analytics add-on
Speed (payment processing and software)	4/5	<ul style="list-style-type: none"> 5/5 for payment processing; as fast as major retailers 3/5 for software; speed of the system is throttled during peak hours and faster speed requires another LSPD account
Other features	2/5	<ul style="list-style-type: none"> Aren't informed of what's available and don't really use the other integrations



Customer B (Founder, Owner @ EU Restaurant)		Rankings for various metrics	
Background	<ul style="list-style-type: none"> Started restaurant ~4-6 years ago and initially signed with LSPD LSPD sent the hardware but had many sales/support issues (non-responsive) so chose a new PoS System (Deliverect), now using SumUp 	Price	5/5
What was your experience with LSPD?	<ul style="list-style-type: none"> UX was too complicated for a startup, and it wasn't a good fit back then since required a lot of support that wasn't really offered 	Support	4/5
Would you reevaluate LSPD now?	<ul style="list-style-type: none"> Yes, if LSPD came knocking at the door since the restaurant no longer need as much support with the software anymore However, last time they had reevaluated LSPD (~2 years ago), thought "they were too much to deal with last time I don't even want to do it" 	Analytics	2.5/5
How are you looking at switching/evaluating now?	<ul style="list-style-type: none"> Italian PoS scene has developed a lot. Prices have gone down, stronger competitive nature, many new players coming in <ul style="list-style-type: none"> Have received multiple offers to switch to new systems like Worldline, Dojo, and was how they ended up using SumUp 	Speed	5/5
Importance of analytics?	<ul style="list-style-type: none"> Very important for restaurants where sales come from, split on takeaway, dine-in, and what products are selling the most on what days For his wife who runs a jewelry business, cares more about where sales are coming from; online, walk-in, referrals, etc., which doesn't come from PoS 	Payments	5/5
		E-commerce	1/5



Customer C (Regional Manager @ NA restaurant operator)		Rankings for various metrics	
Background	<ul style="list-style-type: none"> Oversees PoS selection and day-to-day operations across multiple locations Operates Toast at the majority of locations; previously used LSPD at one site Initial LSPD adoption driven by bundled hardware and competitive pricing 	Price	4/5
What was your experience with LSPD?	<ul style="list-style-type: none"> Core PoS functionality was adequate, but system reliability was a recurring issue Experienced regular outages (approximately monthly), often during operating hours, that required manual workarounds and negatively impacted operations Perceived LSPD as less stable than Toast in a live restaurant environment 	Support	2/5
Would you reevaluate LSPD now?	<ul style="list-style-type: none"> Unlikely to reconsider without clear evidence of materially improved reliability Indicated switching costs are meaningful, but operational stability is key Toast viewed as a more dependable long-term partner for restaurant operations 	Analytics	3/5
How are you looking at switching / evaluating now?	<ul style="list-style-type: none"> Focused primarily on uptime, speed, and support responsiveness Less emphasis on incremental pricing differences given cost of service disruption Views PoS as "mission-critical infrastructure" rather than a cost-minimization decision 	Speed	3/5
Importance of analytics?	<ul style="list-style-type: none"> Analytics are useful but secondary to execution and reliability Basic reporting sufficient for daily decision-making (sales by hour, item mix, labor) Advanced analytics not viewed as a differentiator if core system performance is inconsistent 	Payments	4/5
		E-commerce	N/A



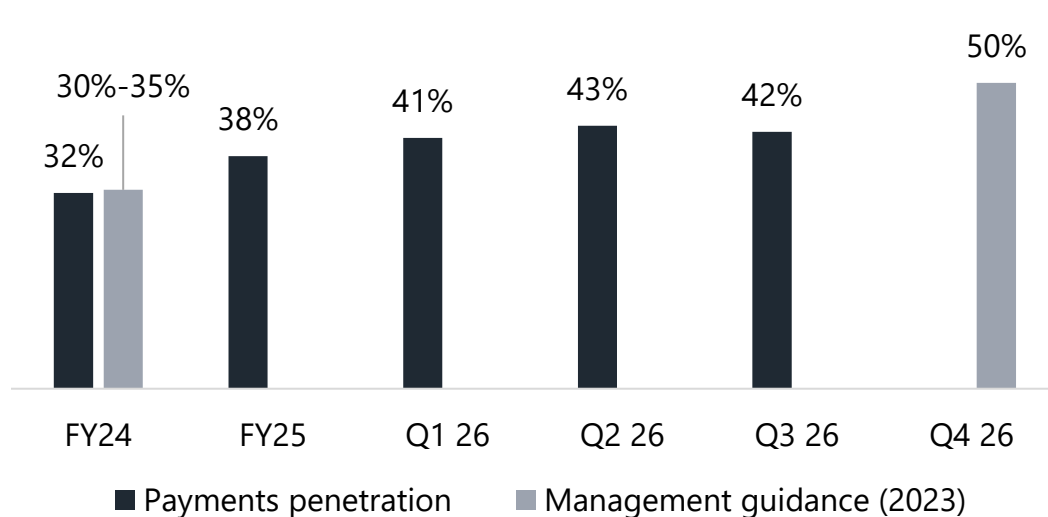
Catalysts

Customer location growth fails to reaccelerate despite GTM investments

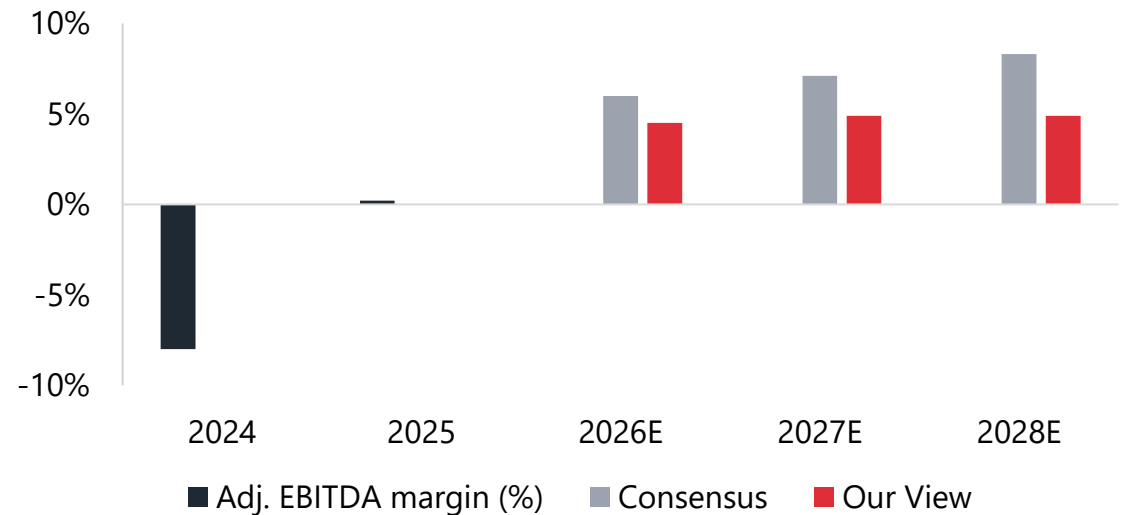
Long-term payments penetration guidance revised downwards

Margins fail to scale as mix shift and weak growth limit operating leverage

Payments penetration



Adj. EBITDA margin (%)





What we like about LSPD



Original inventory-centric product is strong differentiator that customers appreciate



Strong local presence in EU Hospitality from the acquired companies



Initial implementation of payments has resulted in less churn than expected

Catalysts for a BUY recommendation



Integration issues are completely resolved



LSPD becomes more vertically integrated and captures more of the payments value chain



LSPD consistently beats out competitors for customer acquisition

Appendix | Other | Market reaction to Spruce Point Capital short-seller report



1 **September 29, 2021**
Spruce Point Capital Management releases a short seller report that alleges a potential 60-80% downside in LSPD
LSPD stock price drops 11.7%



2 **March 4, 2025**
Courts dismiss Spruce Point Capital Management's report, ruling that the report did not include any actionable claims
LSPD stock price drops 5.2%



Inflated business performance

LSPD is shown to have massively inflated customer counts, GTV metrics, and ARPU stability pre-IPO, with evidence that customer numbers were overstated by 85% and GTV by at least 10% while the business was already stalling

Financial back-solves from acquisition disclosures indicate double-digit organic revenue decline, contradicting LSPD's claims of 42% organic growth and signaling deterioration masked by acquisitions of underperforming or declining companies

The company's shift from net to gross revenue recognition and subtle post-IPO accounting changes accelerated reported revenue and maintained unrealistic stability, even during COVID periods when peers saw 20% declines

High competition and low adoption of payments

Lightspeed Payments shows poor traction, undisclosed adoption metrics, declining transaction margins, and reliance on bundling and incentives, all while facing intense competition from established payment players

Poor governance

Audit oversight weakened when LSPD replaced its experienced technology-focused PwC audit partner with one specializing in unrelated industries (Entertainment/Media) just as acquisitions accelerated post-IPO



Lightspeed comments on short seller report

09/29/2021

MONTREAL, September 29th, 2021 /CNW Telbec/ - Lightspeed Commerce Inc. (NYSE: LSPD) (TSX: LSPD) today commented on the short seller report published today by Spruce Point Capital Management.

The report contains numerous important inaccuracies and mischaracterizations which Lightspeed believes are misleading and clearly intended to benefit Spruce Point, which itself has disclosed that it stands to profit in the event that the stock price of Lightspeed declines. Lightspeed cautions investors to not make decisions based on this report and instead strongly encourages them to consult credible sources, including Lightspeed's filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, prior to making their investment decisions.

Lightspeed is confident in its governance, financial reporting and business practices. Lightspeed has consistently delivered revenue growth since its initial listing on the Toronto Stock Exchange in March 2019. In the quarter ended June 30, 2021, revenue of \$115.9M increased 220% from the prior year quarter with organic¹ software and transaction-based revenue growth of 78%.

The Company will not be providing further comment on the report at this time as it maintains its focus on building its business and delivering exceptional products and services for customers.

[1] References herein to "organic" growth exclude the impact of any acquisitions that occurred since the end of the prior comparable period so as to provide a consistent basis of comparison.



Broad use of AI to build in-house



IT Brew

How IT pros can weigh their options as AI makes building software in-house easier than ever

You can avoid the vendor lock-in, plus now you can build highly-customized applications,” one CTO tells IT Brew.

1 month ago



The Tech Buzz

We Built a Monday.com Clone in Under an Hour with AI

CNBC tests AI vibe-coding threat to software stocks by building Monday.com replacement.

1 month ago



Business Insider

AI coding tools upend the 'buy versus build' software equation and threaten the SaaS business model

AI coding tools like Bolt and Replit are disrupting the SaaS business model by lowering barriers to building custom software.

Jun 25, 2025

Retailers building in-house



AMERICAN EAGLE
OUTFITTERS



URBAN
OUTFITTERS

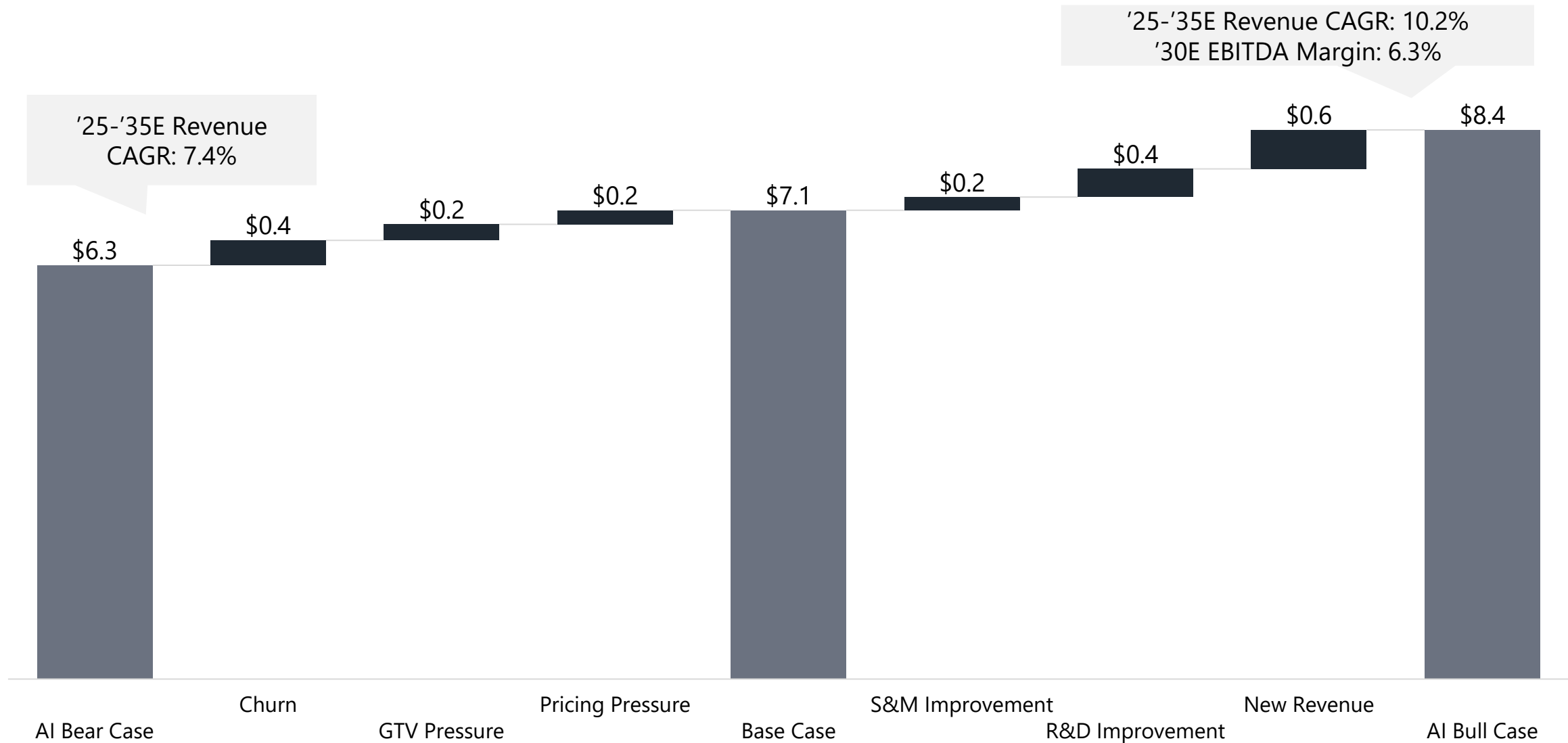


Expert G

(Engineer at major
North American
apparel retailer)

“The problem with many PoS offerings is that you can’t just add new features and customize a certain way; sometimes having a big suite is forcing bad products... and with all of our own data captured, we can use AI to really improve the customer experience.”

Appendix | Other | AI Cases



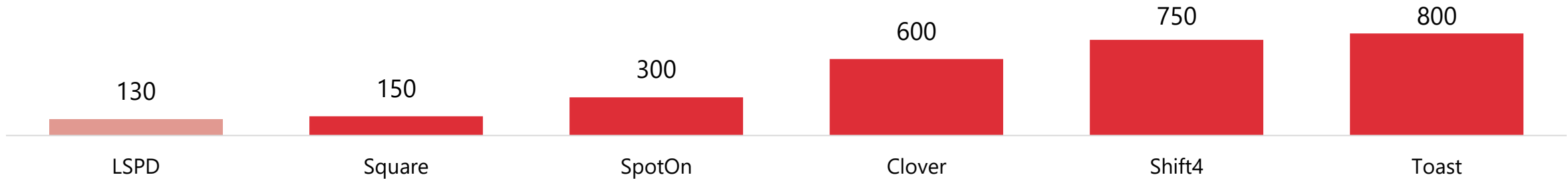


LSPD has 2 moats against new AI entrants



PoS companies need large salesforces to compete on customer acquisition

PoS Competitor Salesforces



Customers are sticky, and may not switch to new entrants

"The pain of the learning curve always plays affects if we want to switch, it's a huge learning curve to retrain all of our staff."

- Customer A, Sales Manager @ US-based small multi-location retailer



LSPD is late to the game on AI product releases

Toast IQ

Launched May 2025

- Automated report generation
 - AI chatbot to understand analytics
- Automated “menu upsell” (prompts staff to suggest recommended additions to a guest's order)
- Other automated workflows (AI marketing plans, etc.)

Lightspeed AI

Launched Jan 2026

- Automated report generation
- AI chatbot to understand analytics
 - AI website design
- NuORDER recommendations
 - AI showroom



Agentic commerce is the shift from "e-commerce" (where a human uses a digital interface to shop) to "AI-driven commerce" (where an autonomous AI agent shops on behalf of a human).

AI Agent

Goes through recommendations

Compares options with criteria

Selects the "best" product



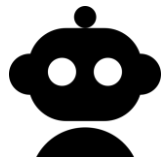
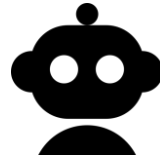
Merchant Website

Product detail page

API or browser to checkout

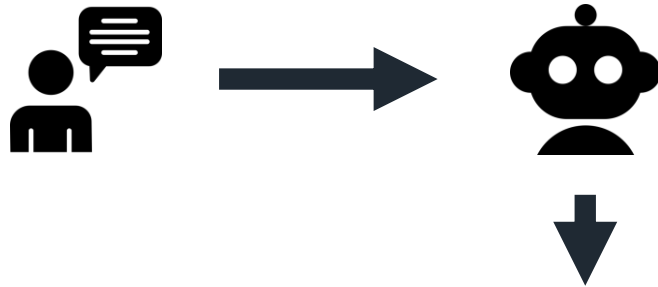


User prompts AI



AI shops for you





Merchant

Prior to transaction, merchant provides catalogue data in an AI-agent readable format



Merchant + capable PSP

Transactions flow through: accepts/declines orders, receives payment info, processes payment, takes care of chargeback

Merchants still:

- Are merchant of record
- Use existing PSPs/acquirers

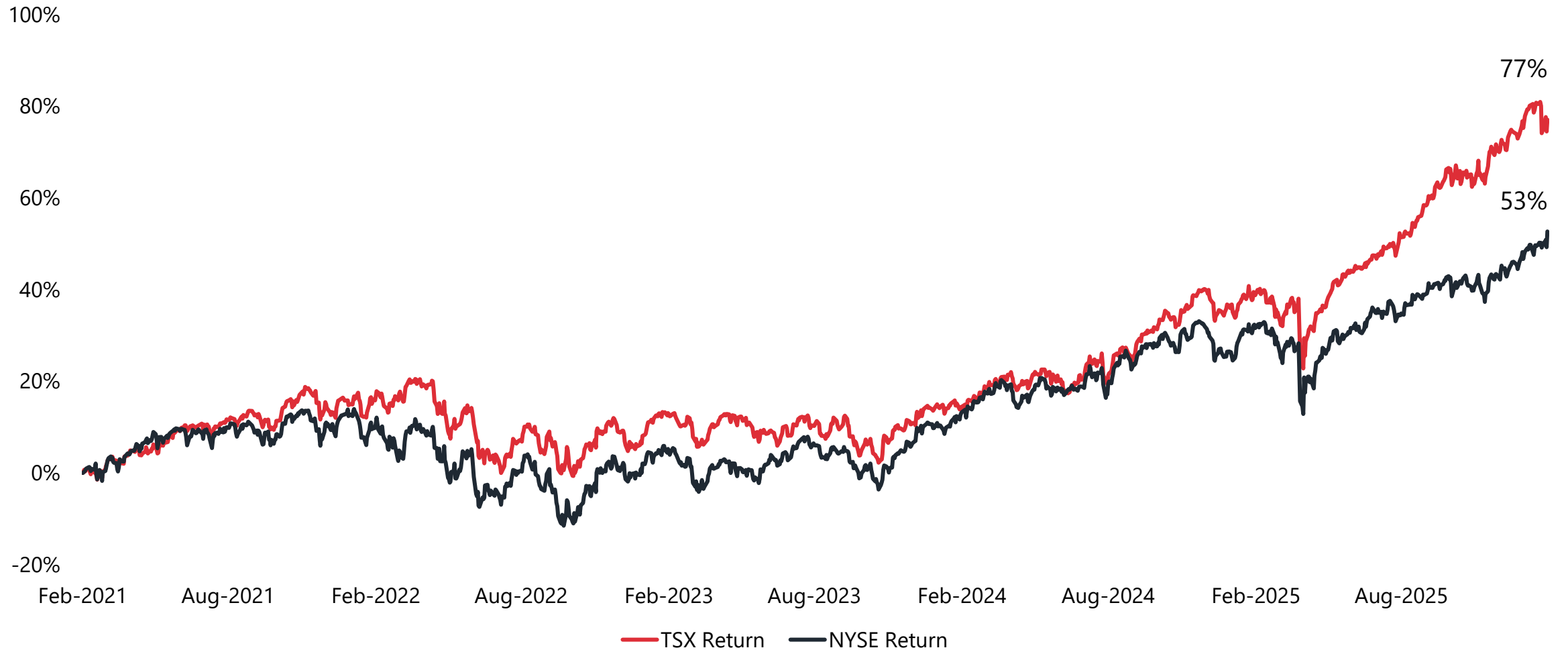
Transactions still:

- Run over card networks (Visa/Mastercard)
- Rely on existing authorization, tokenization, fraud systems

The biggest impact on payments will likely be a shift in **fraud, identity, and trust:**

- Autonomous fraud by agents
- Deepfake + credential misuse
- "Rogue agents" acting outside user intent

Appendix | Other | TSX & NYSE Index



Appendix | Other | Impact of Iran War



Input Costs

+61%	Brent crude increase since Feb 28 strike
+49%	Urea fertilizer cost spike
33%	Of fertilizer moves via Hormuz
+30%	Restaurant/retail freight costs

Consumer Demand

1.9%	US consumer spending growth (lowest since 2013)
(\$450)	Annual household decrease per \$10/bbl oil rise
(2%)	Consumer sentiment drop since war begun

LSPD Exposure

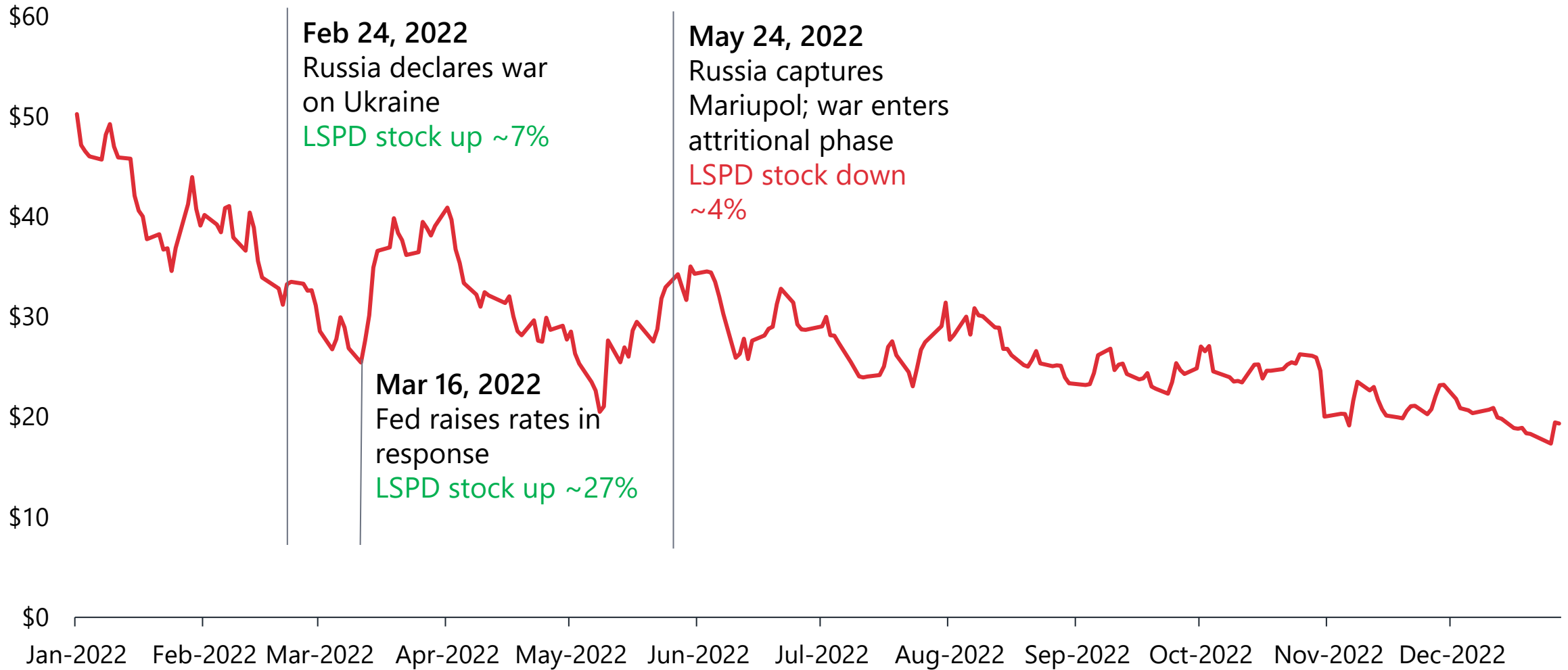
9%	Full-service restaurants at closure risk (Black Box Intelligence)
2-3%	Comp sales hit for mid-market apparel

Near-term, consumers will trade down from LSPD's full-service restaurant and specialty retail merchants, compressing GTV. Longer-term, merchant closures accelerate churn and make Lightspeed's outbound sales expansion structurally harder to execute into a cost-pressured merchant base

Appendix | Other | Impact of Russia Ukraine war



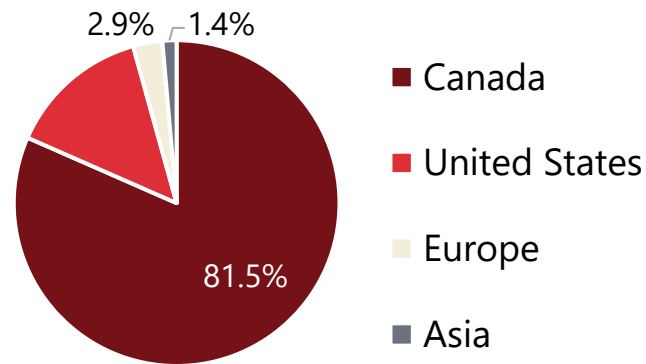
LSPD share price (2022)



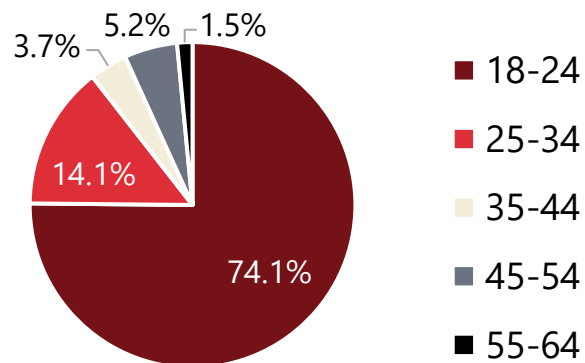


Overview of sample (n=135)

Countries represented



Age groups represented



Key results

In-store department store shopping

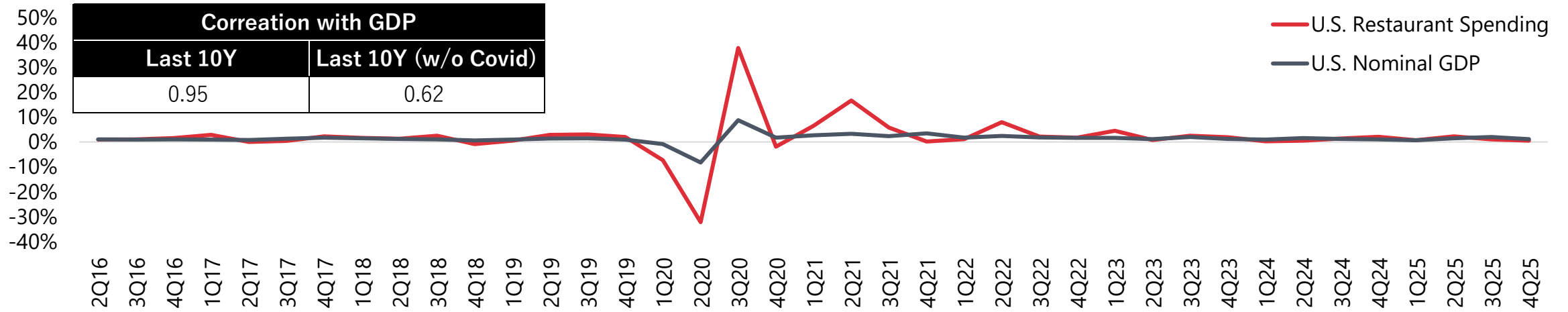
	Reported for last 3 years	Expected in NTM
Increase spending	17.0%	8.2%
Decrease spending	41.5%	22.3%

Online shopping

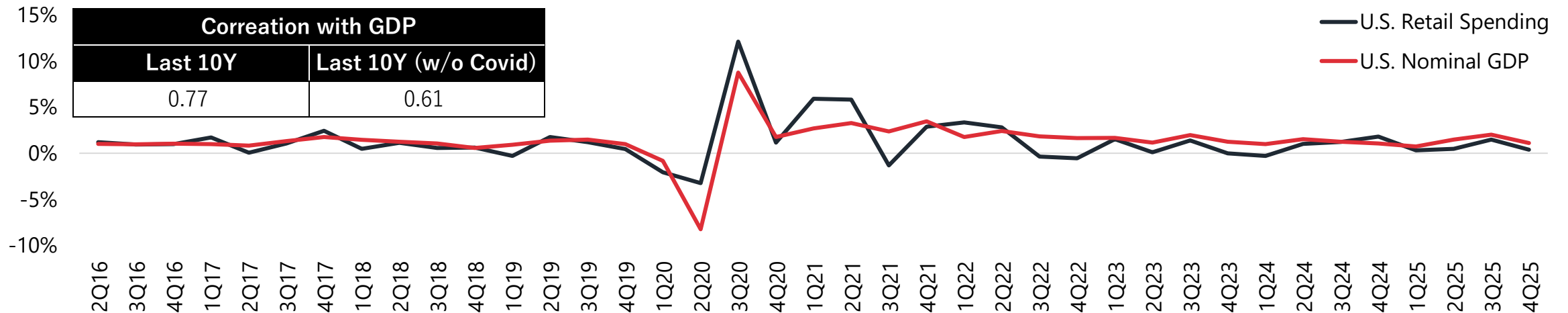
	Reported for last 3 years	Expected in NTM
Increase spending	68.1%	27.4%
Decrease spending	5.9%	6.7%



U.S. Nominal Restaurant Spending vs U.S. Nominal GDP (% Change)

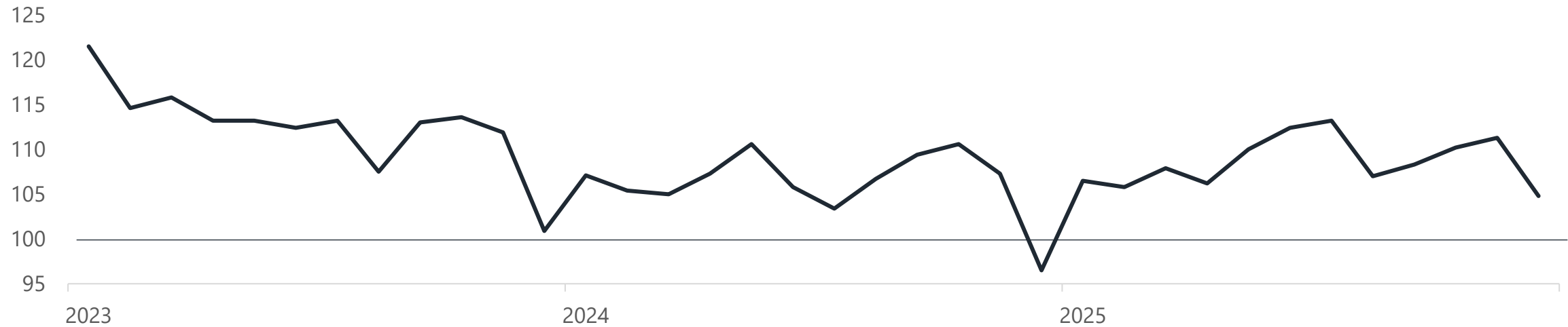


U.S. Nominal Retail Spending vs U.S. Nominal GDP (% Change)





Bain intent to spend survey (Index = 100)



Commentary on consumer spending

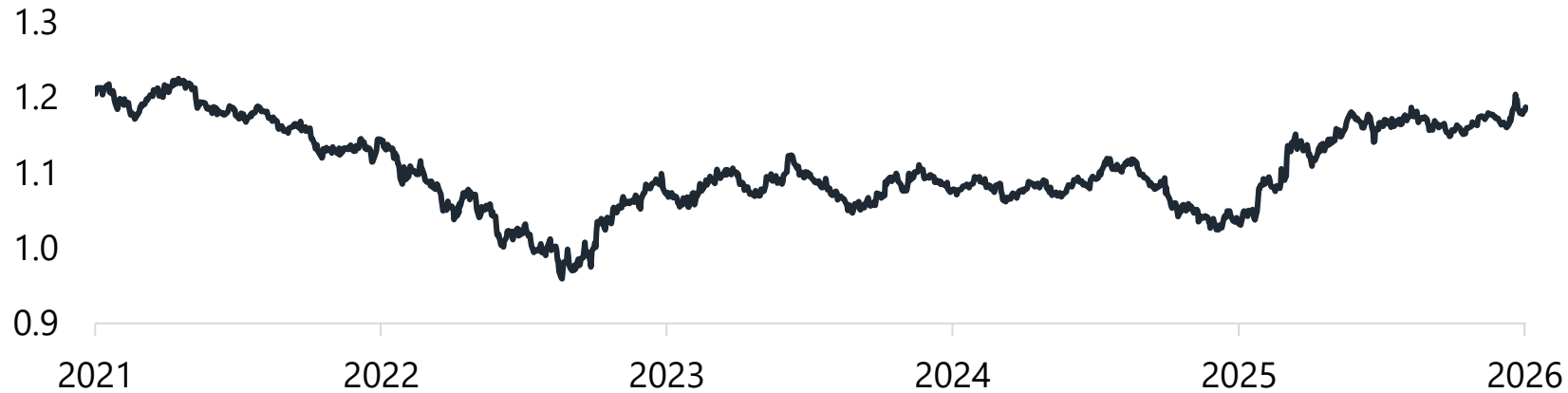
- The Conference Board *Consumer Confidence Index* is at 91.8 (1985 = 100)
 - US Consumer Sentiment is at a 3-month low with war inflation fears
- The *Expectations Index*, based on consumers' short-term outlook for income, business, and labor market conditions, is at 70.9 in March, well below the threshold of 80 that has historically served a recession ahead

“Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened... all five components of the Index deteriorated, driving the overall Index to **its lowest level since May 2014 (82.2)** — surpassing its COVID-19 pandemic depths.”

Dana M Peterson
Chief economist for The Conference Board

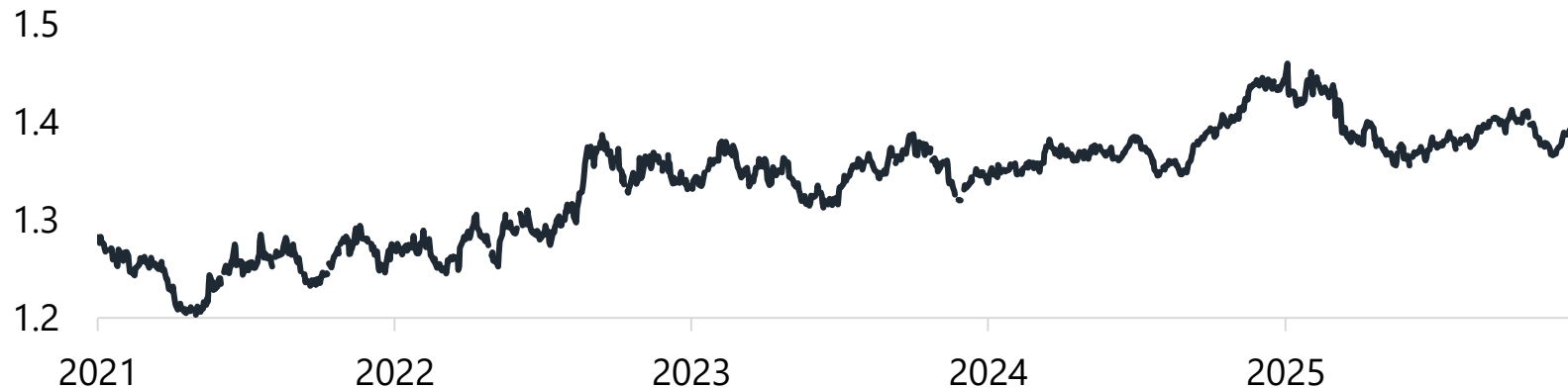


EUR / USD conversion rate



- When EUR/USD increases, transaction revenues see currency tailwinds
- While management noted that top line is sensitive to the Euro, bottom line (Adj. EBITDA) is protected by headcount acting as a “natural hedge”

CAD / USD conversion rate

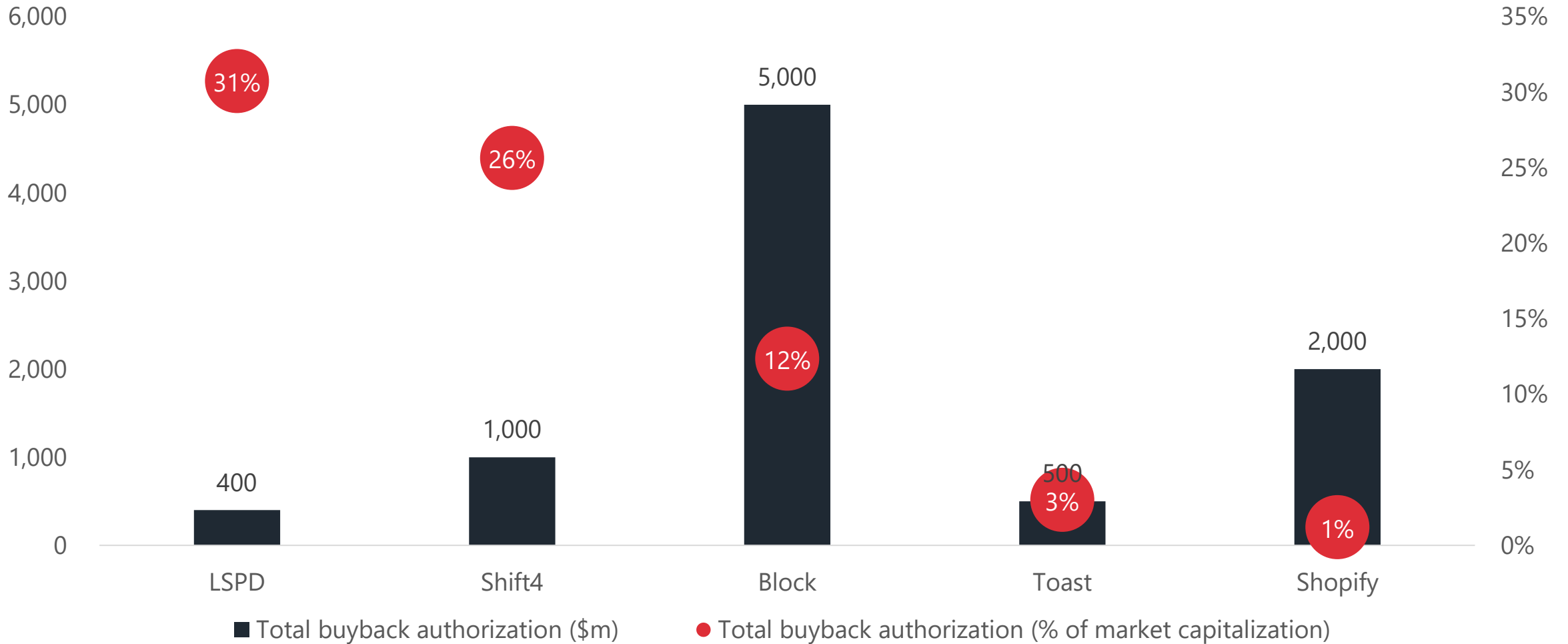


- LSPD mostly makes revenue in USD, but has a large employee base with HQ in Montreal
- When CAD/USD increases, revenue stays stable but cost basis rises and shrinks margins

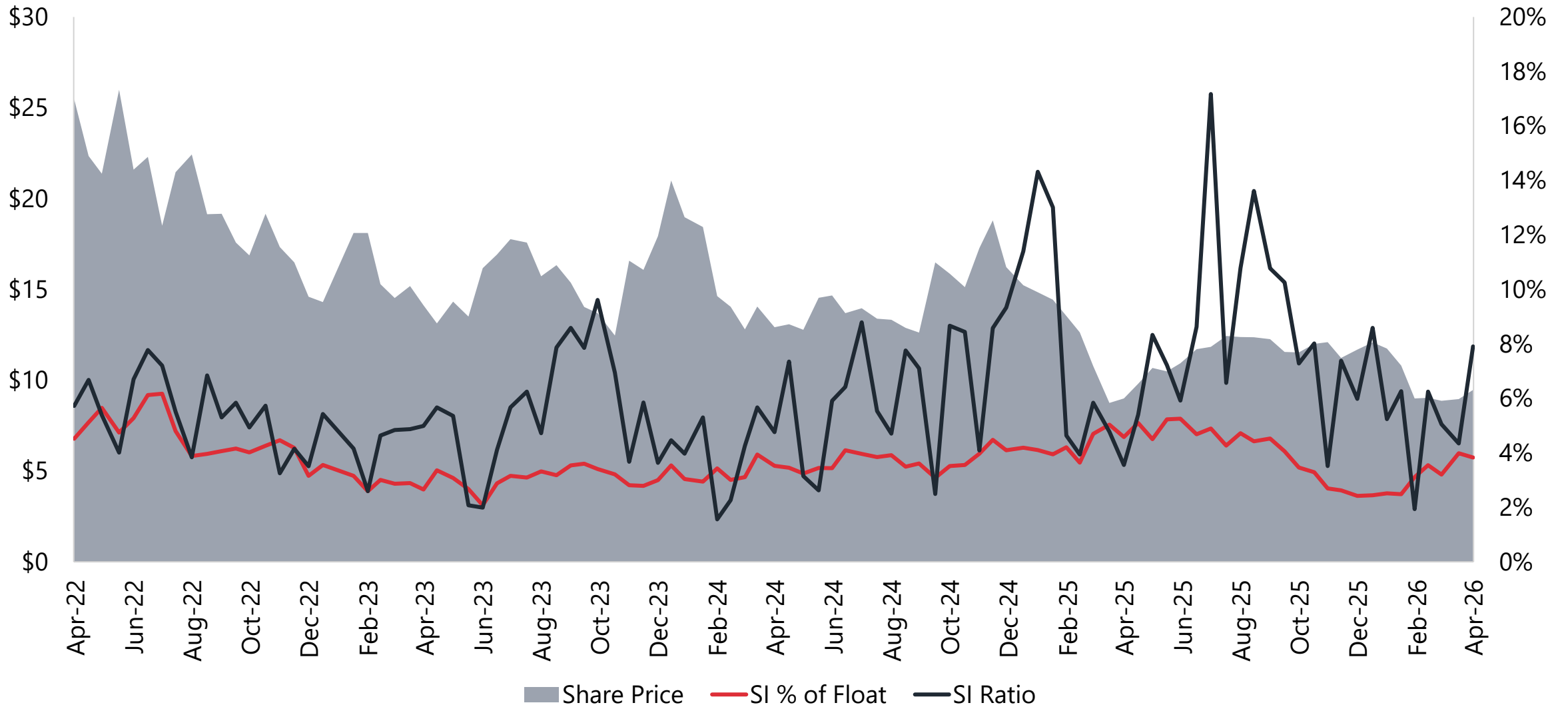
Appendix | Other | LSPD vs peers share buybacks



Share buyback programs for LSPD and peers

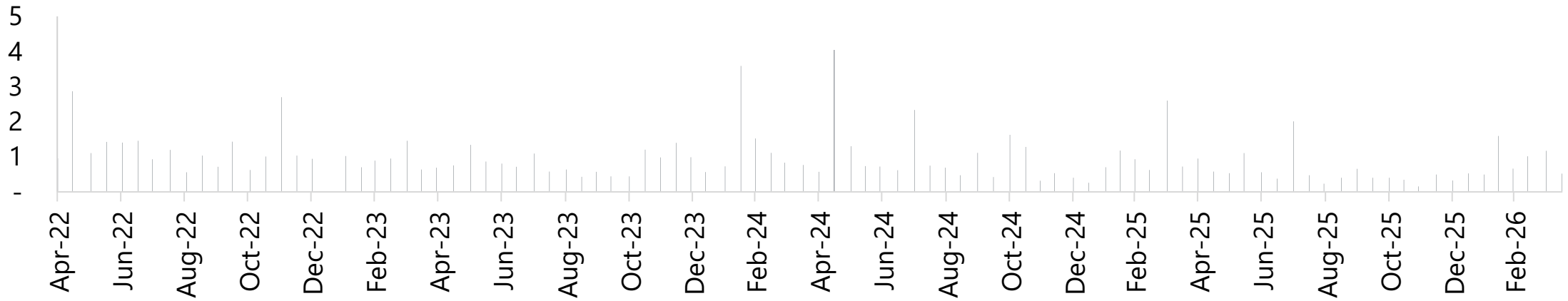


Appendix | Other | Short Interest

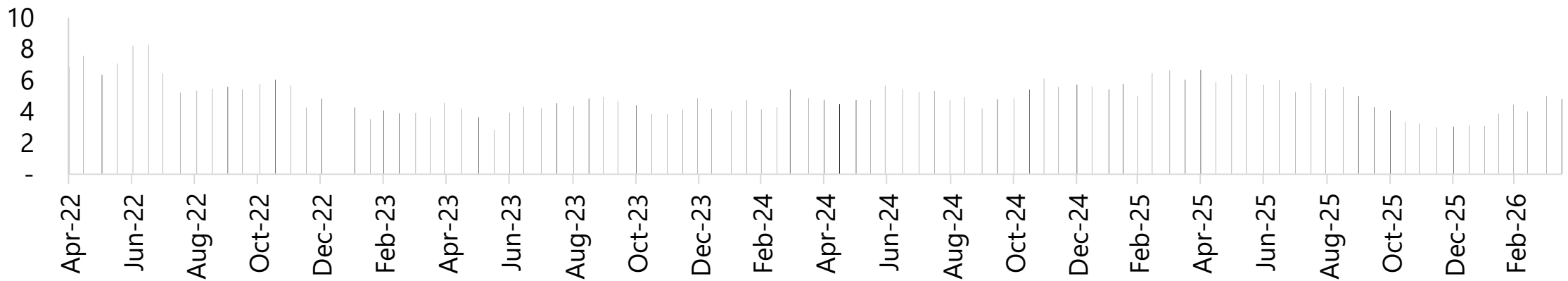




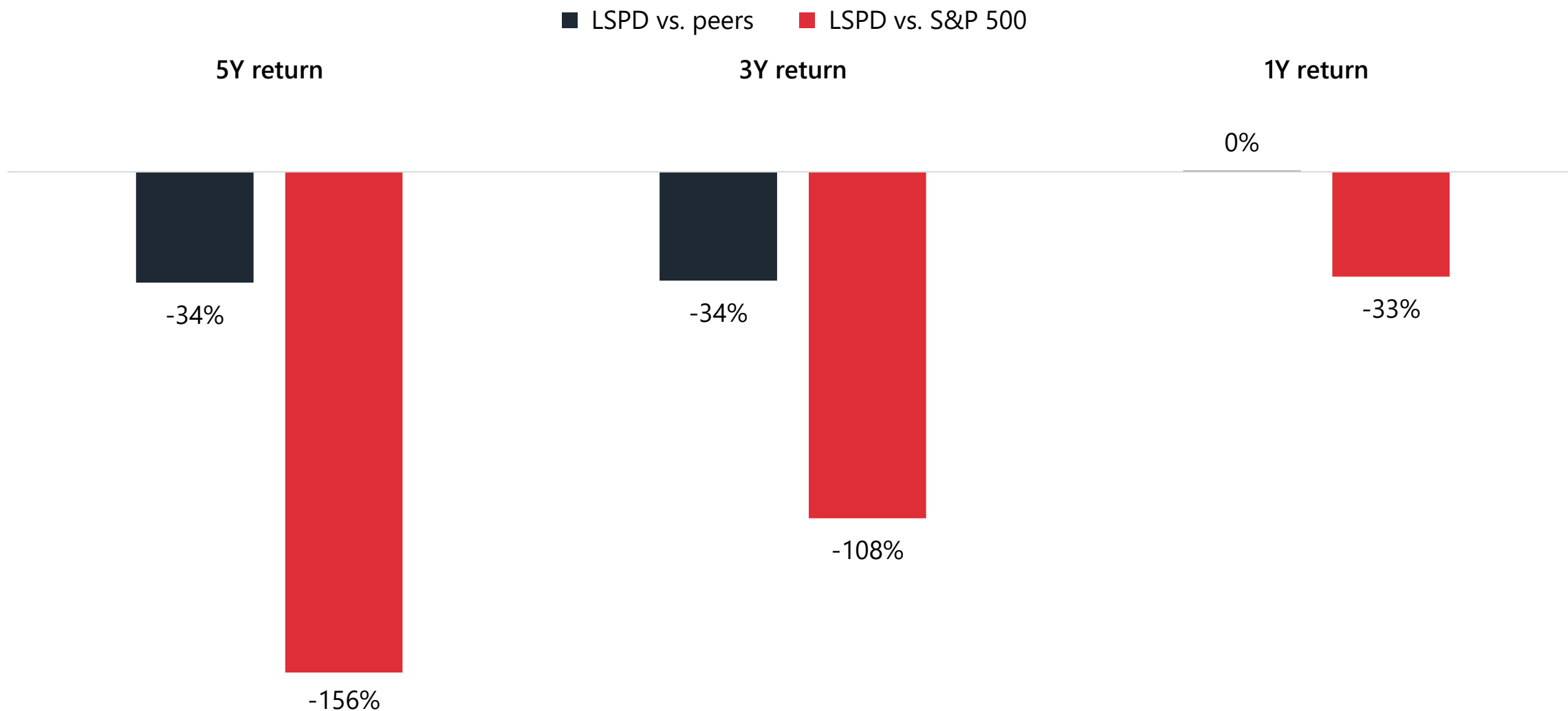
Daily Volume (M of Shares)



Short Interest (M of Shares)



Appendix | Other | Share price performance compared to peers



Appendix | Other | ARPU obscuring performance



Comparing performance between most recent Capital Markets Days highlights execution struggles

Since moving away from acquisitions four years ago, growth has begun to decline steeply and now lags peers, reflecting difficulty in achieving growth without acquisitions

	FY25 Actual	FY22 Target	Miss
Monthly ARPU	\$490	~\$650	-\$160
Revenue as a % of GTV	1.2%	~3%	-2 p.p.
Subscription revenue growth	7%	10 to 15%	-3 to -8 p.p.
Payments penetration	37%	~50%	-13 p.p.

	FY25 Actual	FY22 Target	Miss
Redefined monthly ARPU	\$545	~\$650	-\$105

At the end of FY25, **ARPU was redefined** to exclude eCommerce; under the new definition, **miss is obscured**

Metrics have been redefined or removed in new materials; careful presentation is used to more positively reflect a declining business



Q4 FY25 Earnings Presentation

“As our PoS and eCommerce solutions are packaged as a single omnichannel product, we believe the distinction between physical sites and eCommerce sites has become less meaningful.”

Q4 FY25 Earnings Presentation

“A single unique customer can have multiple Customer Locations including **physical and eCommerce sites** and in the case of NuORDER, multiple subscriptions.”



Q1 FY26 Earnings Presentation

“Subscription revenue and transaction-based revenue attributable to **standalone eCommerce sites is excluded from ARPU.**”
 “A single unique customer can only have multiple Customer Locations if it has **multiple physical sites** and in the case of NuORDER, multiple subscriptions.”

	FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Old ARPU	\$383	\$425	\$447	\$431	\$504	\$527	\$533	\$489				
New ARPU				\$482	\$567	\$598	\$597	\$545	\$655	\$685	\$660	



Regulation	What it is	Why it matters for LSPD
PCI DSS	Card industry security standard requiring encryption, secure storage, and protection of cardholder data	LSPD processes merchant payments directly through Lightspeed Payments, so compliance costs rise as GPV scales
AML / KYC	Rules requiring verification of merchant identity and monitoring for suspicious transactions	LSPD must onboard and monitor merchants across multiple countries as payments becomes a larger part of revenue
PSD2 / SCA (Europe)	EU regulation requiring Strong Customer Authentication for many online transactions	Adds checkout friction and increases compliance complexity for European omnichannel merchants
Interchange Fee Regulation (IFR)	EU caps interchange fees at 0.2% for debit cards and 0.3% for credit cards	Lower interchange economics can pressure payment margins and transaction monetization
Card Network Rules (Visa/Mastercard)	Operating rules governing fraud, chargebacks, merchant monitoring, and payment acceptance	As LSPD pushes merchants onto Lightspeed Payments, it assumes more operational/compliance responsibility tied to transaction activity



Why blockchain

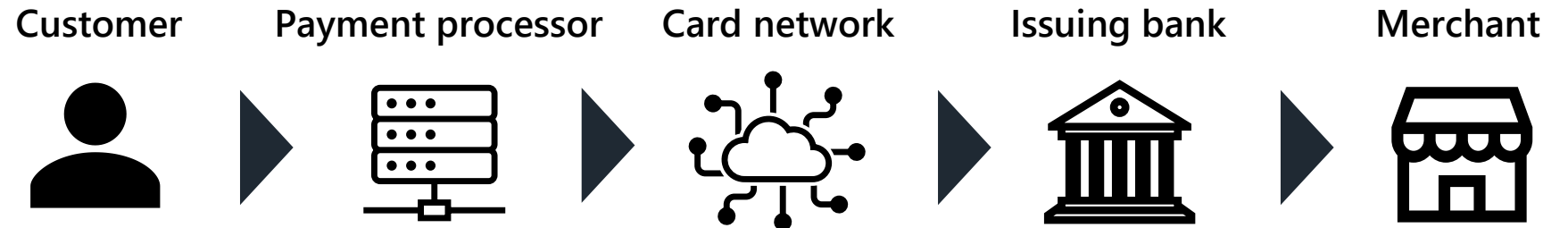
Blockchain payments settle directly between counterparties; very fast

Operate 24/7, with full visibility into transaction

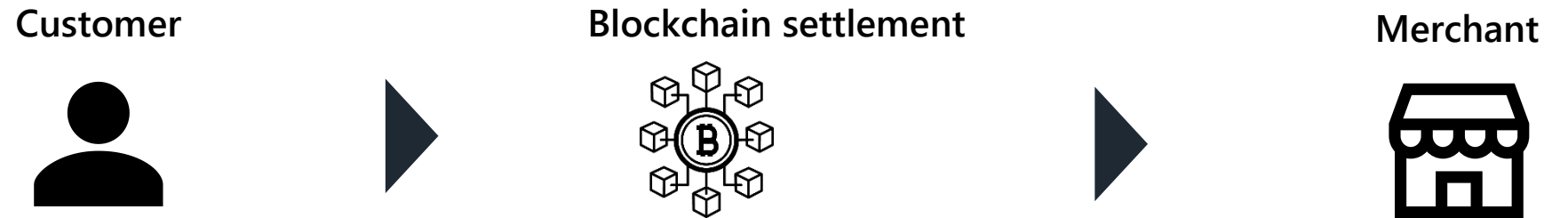
Reduce reliance on intermediaries

Lower cross border fees

Traditional card payments



Blockchain/stablecoin payments



Implications for payments providers

Will need the right infrastructure

Compliance coverage










Require operational support to integrate digital assets

Payment infrastructure could become cheaper, more open, less dependent on traditional intermediaries

Increased competition and lower payment fees



Asia's markets are highly localized...

Region	Dominant Players	Notes
China	 微信支付 WeChat Pay  Alipay	WeChat/Alipay together controls 90%+ of the market
India	 UPI UNIFIED PAYMENTS INTERFACE  PhonePe	UPI accounts for ~85% of all digital payment transactions
Southeast Asia	 PAY NOW  true money  MOMO	Regional dominant digital payment providers across
Japan	 PayPay  R Pay	Domestic wallets widely used, integrated ecosystems

...and difficult to enter

<h3>Regulatory localization</h3> <p>Complex local-licensing, data residency, and compliance requirements</p>
<h3>Super-app ecosystems</h3> <p>Payments typically embedded in daily-life apps with strong user lock-in</p>
<h3>Local banking relationships</h3> <p>Deep partnerships between local banks and wallet providers</p>
<h3>Consumer behavior and QR adoption</h3> <p>Mobile wallets and QR payments are the default, not cards</p>