

We thought it might be most helpful to you if we shared an FAQ, which you can find attached. This gives an overview of our decision to sell Lightspeed POS and Lightspeed Payments as a single consolidated offering and should answer your questions.

We know from customer feedback that Lightspeed Payments add tangible value to their businesses. We are confident that consolidating payments and our POS creates a more seamless experience for our merchants and their customers. Lightspeed Payments captures valuable data, reduces the risks of errors and fraud, helps boost efficiency and provides an enhanced customer experience.

We want to make this migration as easy as possible for our valued merchants and are:

- Providing free payment terminals for each of their registers
- Offering contract buyouts to help cover termination fees from their existing processor
- Providing free on-site installation to minimize disruption to their business
- Trying to match or beat competitors existing processing rates

The intention is for customers to opt to use our unified Lightspeed solution, as it's become increasingly challenging for us to continue to support the multitude of third-party payment processors utilized by customers alongside our core POS platform. Should a customer choose to continue using a non-Lightspeed Payments provider, they will be required to pay a transaction fee, which is standard industry practice.

Lightspeed Unified Payments Q&A

1. Can you provide an overview of Lightspeed's new Unified Payments announcement?

• As of May 1 and continuing throughout FY24, Lightspeed will be moving towards selling **Lightspeed POS and Lightspeed Payments as one unified offering. This roll out will be gradual across the customer base in regions where Lightspeed Payments is available and to customers who are eligible.** This means:

- o All new customers will only be sold our POS if they adopt Lightspeed Payments
- o All eligible customers will be notified of this change with various measures introduced which are intended to encourage

them to adopt Lightspeed Payments with up to 24/7 customer service.

- In order to make the process of transitioning to Lightspeed Payments as easy as possible for our existing valued merchants, we will:
 - o Provide free payment terminals for each of their registers
 - o Offer contract buyouts to help cover termination fees from their existing processor
 - o Provide free on-site installation to minimize disruption to their business
 - o Try to match or beat competitors existing processing rates

2. How will this roll out?

- We initiated a pilot on March 27 and are now implementing a phased roll out to our North American customers.
- Longer term, we plan to roll this out to our customers around the world.

3. Why are you doing this?

- By uniting Lightspeed POS solutions and Lightspeed Payments we are reducing the complexity and cost associated with managing multiple third-party payment processors while simultaneously increasing our agility to support the evolving needs of our customers with the right technology. This enables us to keep up with the developments in the dynamic payments market, which ultimately results in a better overall product for customers.
- Our payments solution captures key data and insights to help merchants make confident business decisions and scale to the height of their ambitions.

4. Can you further explain the benefit to the customer to use Lightspeed Payments in conjunction with Lightspeed POS? Why is this better?

- **There are four key benefits to our unified platform:**
 - o **Fast 24/7 support:** Our customers can experience more streamlined support by having their POS, hardware and payments needs covered under one roof.
 - o **Streamlined operations:** This product update tightly integrates payments into our POS system, simplifying the merchant and customer experience. It means merchants can speed up checkout with automated amounts, simplify bookkeeping with integrated accounting tools, streamline reporting with batch reports and settlements right in your POS.
 - o **Specific modules and features** of our flagship offerings are now built exclusively with the POS and Payments working in symbiosis.
 - o **Setting businesses up for success:** With unified payments, Lightspeed can evolve faster and deliver more powerful tools to help our customers compete in today's market. For example, customers will enjoy features such as automated amounts, built-in tipping, batch reports and settlements, and exciting upcoming enhancements like next-day deposits and standalone mode.

5. **What if customers decide not to switch?**

- We know that Lightspeed unified payments will be very positive for our customers and we have strong resources to support them.
- Should our customers decide to use our software solutions without unified Lightspeed Payments, we will, like many other POS providers, begin charging a fee to support this added layer of complexity. We will be rolling out a transaction fee based on a percentage of their revenue, which is standard industry practice.
- Our unified Lightspeed Payments solution provides the best experience for our customers. By helping our customers migrate to Lightspeed Payments by assisting with early termination fees, offering cost-effective rate-matching, and providing free hardware and free in-person installation is our way of ensuring that our customers can make the switch as seamlessly as possible. The consistently rising costs related to third-party integrations and the added complexity the customer experiences is not what we want to provide. Our team is available to help walk them through this process step-by-step. We believe the majority of customers will see the value of integrated payments and switch over to Lightspeed Payments.

