



Coveo Reports Second Quarter Fiscal 2026 Financial Results

SaaS Subscription Revenue⁽¹⁾ of \$35.9 million, exceeding guidance
Core Coveo SaaS Subscription Revenue⁽²⁾ growth of 17%
Commerce remains Coveo's fastest-growing use case, fueled by expanding SAP partnership
Continued Generative AI momentum with ~2.5x year-over-year growth in customers and revenue

Coveo reports in U.S. dollars and in accordance with International Financial Reporting Standards ("IFRS")

MONTREAL and SAN FRANCISCO – October 30, 2025 – [Coveo](#) (TSX: CVO), the leader in AI-Relevance, delivering best-in-class search and generative experiences that maximize business outcomes at every point-of-experience, today announced financial results for its second quarter of fiscal year 2026 ended September 30, 2025.

"Our customers see industry leading results when they integrate our platform into their AI strategies," said Laurent Simoneau, Co-Founder and CEO of Coveo. "The momentum in our core growth drivers and the expansion of our customer relationships underscore Coveo's long-term growth opportunity."

"Generative and agentic AI represent the most significant opportunities of our time," said Louis Têtu, Executive Chairman of Coveo. "While many enterprises are still chasing tangible results, Coveo customers and partners are already realizing meaningful ROI from our platform, and this quarter once again demonstrated that."

Second Quarter and Year-to-Date Fiscal 2026 Summary Financial Highlights

The following table summarizes our financial results for the second quarter of fiscal year 2026:

<i>In millions of U.S. Dollars, except as otherwise indicated</i>	Q2 2026	Q2 2025	Change	YTD FY2026	YTD FY2025	Change
SaaS Subscription Revenue ⁽¹⁾	\$35.9	\$31.2	15%	\$70.1	\$61.7	13%
Coveo core Platform ⁽²⁾	\$35.0	\$29.9	17%	\$68.1	\$58.6	16%
Qubit Platform ⁽³⁾	\$0.9	\$1.2	(24%)	\$2.0	\$3.1	(37%)
Total revenue	\$37.3	\$32.7	14%	\$72.9	\$65.0	12%
Gross margin	79%	79%	-	78%	79%	(1%)
Product gross margin	82%	82%	-	81%	82%	(1%)
Net loss	(\$4.4)	(\$5.4)	18%	(\$19.4)	(\$11.5)	(69%)
Adjusted EBITDA ⁽⁴⁾	\$0.6	\$1.5	(61%)	(\$1.4)	(\$0.2)	(482%)
Cash flows from operating activities	(\$10.8)	\$1.4	(858%)	(\$3.7)	\$4.5	(183%)

Second Quarter Fiscal 2026 Financial Highlights

(All comparisons are relative to the three-month period ended September 30, 2024, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$35.9 million, an increase of 15% compared to \$31.2 million. Within this, SaaS Subscription Revenue for Coveo's core Platform⁽²⁾ was \$35.0 million, an increase of 17%.
- Total revenue was \$37.3 million compared to \$32.7 million, an increase of 14%.
- Gross margin was 79% and Product gross margin was 82%, comparable to the prior period.
- Operating loss was \$6.7 million compared to \$4.8 million. Net loss was \$4.4 million compared to a net loss of \$5.4 million.
- Adjusted EBITDA⁽⁴⁾ was \$0.6 million compared to \$1.5 million last year.
- Cash flow from operating activities was (\$10.8) million compared to \$1.4 million in the prior year.
- Cash and cash equivalents were \$108.2 million as of September 30, 2025.
- Net Expansion Rate⁽¹⁾ of 104% as of September 30, 2025. Net Expansion Rate⁽¹⁾ was 105% excluding customer attrition from customers using the Qubit Platform⁽⁵⁾. The decline of 300 basis points from June 30, 2025 primarily reflects a reduction in annual contract value from a single large customer at renewal.

Other Business and Subsequent Developments:

- Commerce Momentum
 - Commerce remains Coveo's fastest-growing use case, representing approximately 50% of total new business bookings during the quarter, fueled by the company's ongoing partnership with SAP.
 - Commerce saw one of the best quarters ever for new business bookings. New customers included Elite Supplements, Hornbach, CarltonOne, and Gosselin Photo, among others.
 - Subsequent to quarter-end, Coveo received the SAP® Global Customer Experience Award for Partner Excellence 2025 (Partner Solution Success). This recognition highlights the strength of the Coveo-SAP collaboration and the measurable business value delivered to joint customers through AI-powered customer experience solutions.
- Generative AI and Agentic Growth
 - Generative AI solutions continued to drive strong performance, representing over 35% of total new business bookings for the quarter.
 - Customer and revenue grew by ~2.5x as compared to the prior year, reflecting strong demand from new and existing customers.
 - New customers included Halliburton, Deckers Outdoor Corp., Intermountain Healthcare, and BMR Group.
 - Existing customers such as Nvidia, Intel, General Electric, ScienceLogic, Freedom Furniture, and ABB Ltd. expanded their usage following successful GenAI initial deployments with Coveo.
 - Subsequent to the quarter, Coveo earned the AWS Generative AI Competency, reinforcing its leadership in delivering enterprise-grade, outcome driven AI solutions.
 - Coveo also announced continued enhancements to its Coveo for Agentforce offering, furthering the company's leadership in enabling enterprises to adopt agentic strategies with precision, speed, and confidence.
- Leadership Updates
 - Pranshu Tewari has been appointed as Chief Marketing Officer, effective November 10. Mr. Tewari brings over 25 years of global marketing experience, including more than a decade in enterprise B2B SaaS, most recently serving as Chief Marketing Officer at Mendix (acquired by

- Siemens AG). Prior to that Mr. Tewari, spent 16 years at Dell Technologies, in various roles, progressing to the role of Global Vice President, Marketing of Dell Software Group.
- John Grosshans, Chief Operating Officer, will be leaving Coveo effective November 1 to pursue another opportunity.

Financial Outlook

Coveo continues to observe solid market demand for its AI-powered platform, supported by broad customer adoption across use cases. The company is revising the upper end of its revenue guidance ranges and expected operating cash flows primarily to reflect the impact of the reduced annual contract value from a single customer upon their renewal referenced above. Guidance for Adjusted EBITDA⁽⁴⁾ remains unchanged, highlighting Coveo's focus on disciplined growth and operational leverage.

Expectations for SaaS Subscription Revenue⁽¹⁾, Total Revenue, and Adjusted EBITDA⁽⁴⁾ for Q3 FY'26 and the Full Year FY'26 are as follows:

	Q3 FY'26	FY'26
SaaS Subscription Revenue⁽¹⁾	\$35.7 – \$36.2 million	\$141.5 – \$142.5 million
Total Revenue	\$37.1 – \$37.6 million	\$147.5 – \$148.5 million
Adjusted EBITDA⁽⁴⁾	Approximately breakeven	Approximately breakeven

The company expects to deliver positive operating cash flows for the full fiscal year.

These statements are forward-looking and actual results may differ materially. Coveo's outlook constitutes "financial outlook" within the meaning of applicable securities laws and is provided for the purpose of, among other things, assisting investors and others in understanding certain key elements of our expected financial results, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Investors and others are cautioned that it may not be appropriate for other purposes. Please refer to the "Forward-Looking Information" and "Financial Outlook Assumptions" sections below for additional information on the factors that could cause our actual results to differ materially from these forward-looking statements and a description of the assumptions underlying same.

Q2 Conference Call and Webcast Information

Coveo will host a conference call today at 5:00 p.m. Eastern Time to discuss its financial results for the second quarter of fiscal year 2026. The call will be hosted by Laurent Simoneau, Co-Founder & Chief Executive Officer, Louis Têtu, Executive Chairman and Brandon Nussey, Chief Financial Officer.

- Conference Call:** <https://emportal.link/3KKrA4i>
Use the link above to join the conference call without operator assistance. If you prefer to have operator assistance, please dial: 1-888-699-1199
- Live Webcast:** <https://app.webinar.net/gAO9maAm8oq>
- Webcast Replay:** ir.coveo.com under the "News & Events" section

Non-IFRS Measures and Ratios

Coveo's unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this press release includes non-IFRS financial measures and ratios, namely (i) Adjusted EBITDA; (ii) Adjusted Gross Profit, Adjusted Product Gross Profit, and Adjusted Professional Services Gross Profit (collectively referred to as our "Adjusted Gross Profit Measures"); (iii) Adjusted Gross Margin, Adjusted Product Gross Margin, and Adjusted Professional Services Gross Margin (collectively referred to as our "Adjusted Gross Margin Measures"); (iv) Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses (collectively referred to as our "Adjusted Operating Expense Measures"); and (v) Adjusted Sales and Marketing Expenses (%), Adjusted Research and Product Development Expenses (%), and Adjusted General and Administrative Expenses (%) (collectively referred to as our "Adjusted Operating Expense (%) Measures"). These measures and ratios are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures and ratios are provided as additional information to complement IFRS measures by providing further understanding of the company's results of operations from management's perspective.

Accordingly, these measures and ratios should not be considered in isolation nor as a substitute for analysis of the company's financial information reported under IFRS. Adjusted EBITDA, the Adjusted Gross Profit Measures, the Adjusted Gross Margin Measures, the Adjusted Operating Expense Measures, and the Adjusted Operating Expense (%) Measures are used to provide investors with supplemental measures and ratios of the company's operating performance and thus highlight trends in Coveo's core business that may not otherwise be apparent when relying solely on IFRS measures and ratios. The company's management also believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures and ratios in the evaluation of issuers. Coveo's management uses non-IFRS financial measures and ratios in order to facilitate operating performance comparisons from period to period, and to prepare annual operating budgets and forecasts.

See the "Non-IFRS Measures" section of our MD&A for the quarter ended September 30, 2025, which is available as of the date hereof under our profile on SEDAR+ at www.sedarplus.ca for a description of these measures. Please refer to the financial tables appended to this press release for additional information including a reconciliation of (i) Adjusted EBITDA to net loss; (ii) Adjusted Gross Profit to gross profit; (iii) Adjusted Product Gross Profit to product gross profit; (iv) Adjusted Professional Services Gross Profit to professional services gross profit; (v) Adjusted Sales and Marketing Expenses to sales and marketing expenses; (vi) Adjusted Research and Product Development Expenses to research and product development expenses; and (vii) Adjusted General and Administrative Expenses to general and administrative expenses.

Key Performance Indicators

This press release refers to "SaaS Subscription Revenue" and "Net Expansion Rate". They are operating metrics used in Coveo's industry. We monitor our key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans, and make strategic decisions. Our key performance indicators provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use industry metrics in the evaluation of issuers. Certain of our key performance indicators are measures that do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other issuers and cannot

be reconciled to a directly comparable IFRS measure. Our key performance indicators may be calculated and designated in a manner different than similar key performance indicators used by other companies.

“SaaS Subscription Revenue” means the company’s SaaS subscription revenue, as presented in our financial statements in accordance with IFRS.

“Net Expansion Rate” is calculated by considering a cohort of customers at the end of the period 12 months prior to the end of the period selected and dividing the SaaS Annualized Contract Value (“SaaS ACV”, as defined below) attributable to that cohort at the end of the current period selected, by the SaaS ACV attributable to that cohort at the beginning of the period 12 months prior to the end of the period selected. Expressed as a percentage, the ratio (i) excludes any SaaS ACV from new customers added during the 12 months preceding the end of the period selected; (ii) includes incremental SaaS ACV made to the cohort over the 12 months preceding the end of the period selected; (iii) is net of the SaaS ACV from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected; and (iv) is currency neutral and as such, excludes the effect of currency variation.

In this section and throughout this press release, “SaaS Annualized Contract Value” means the SaaS annualized contract value of a customer’s commitments calculated based on the terms of that customer’s subscriptions, and represents the committed annualized subscription amount as of the measurement date.

Please also refer to the “Key Performance Indicators” section of our latest MD&A, which is available under our profile on SEDAR+ at www.sedarplus.ca, for additional details on the abovementioned key performance indicators.

Forward-Looking Information

This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including with respect to Coveo’s “financial outlook” (within the meaning of applicable securities laws) and related assumptions (as set forth below and elsewhere in this press release) for the three months ending December 31, 2025 and the year ending March 31, 2026 (for greater certainty, for operating cash flows, solely the year ending March 31, 2026), and expectations regarding the remaining Qubit SaaS ACV, bookings performance, and revenue growth for fiscal 2026 (collectively, “forward-looking information”). This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “might”, “will”, “achieve”, “occur”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “target”, “opportunity”, “strategy”, “scheduled”, “outlook”, “forecast”, “projection”, or “prospect”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. In addition, any statements that refer to expectations, intentions, projections, or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates, and projections regarding future events or circumstances.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions (including those discussed under “Financial Outlook Assumptions” below and those discussed immediately hereunder) that we considered appropriate and reasonable as of the date such statements are made. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, actual results may vary from the forward-looking information contained herein. Certain assumptions made in preparing the forward-looking information contained in herein include, without limitation (and in addition to those discussed under “Financial Outlook Assumptions” below): our

ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; our ability to expand our relationships with existing customers, and have existing customers renew their subscriptions; the success of our efforts to expand our product portfolio and market reach; our ability to maintain successful strategic relationships with partners and other third parties; market awareness and acceptance of enterprise AI solutions in general and our products in particular; the market penetration of our generative AI and other new solutions, both with new and existing customers, and our ability to continue to capture the AI opportunities; assumptions regarding our future capital requirements, and availability of capital generally; the accuracy of our estimates of market opportunity, growth forecasts, and expectations around operating cash flows; our success in identifying and evaluating, as well as financing and integrating, any acquisitions, partnerships, or joint ventures; the significant influence of our principal shareholders; our ability to generate pipeline, and to convert pipeline into bookings, and the timeframe thereof; and our ability to execute on our expansion and growth plans more generally. Moreover, forward-looking information is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, that may cause the actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to macro-economic uncertainties and the risk factors described under “Risk Factors” in the company’s most recently filed Annual Information Form and under “Key Factors Affecting our Performance” in the company’s most recently filed MD&A, both available under our profile on SEDAR+ at www.sedarplus.ca. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

You should not rely on this forward-looking information, as actual outcomes and results may differ materially from those contemplated by this forward-looking information as a result of such risks and uncertainties. Additional information will also be set forth in other public filings that we make available under our profile on SEDAR+ at www.sedarplus.ca from time to time. The forward-looking information provided in this press release relates only to events or information as of the date hereof, and is expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Financial Outlook Assumptions

Our financial outlook under the “Financial Outlook” section above and elsewhere in this press release is based on several assumptions, including the following, in addition to those set forth under the “Financial Outlook” section above and under the “Forward-Looking Information” section above:

- Remaining Qubit SaaS ACV⁽⁶⁾ will continue to churn in the third quarter of fiscal 2026, with the revenue impact being that the SaaS Subscription Revenue⁽¹⁾ recognized in fiscal 2026 for subscriptions to the Qubit Platform will decline by approximately half.
- Ongoing strength in bookings performance through the end of fiscal 2026.
- Maintaining gross retention rates⁽⁷⁾ at their expected levels.

- Achieving expected levels of sales of SaaS subscriptions to new and existing customers, including timing of those sales, as well as expected levels of renewals of SaaS subscriptions with existing customers.
- Achieving expected levels of implementations and other sources of professional services revenue.
- Maintaining planned levels of operating margin represented by our Adjusted Gross Profit Measures⁽⁴⁾ and Adjusted Gross Margin Measures⁽⁸⁾.
- The market for our solutions showing ongoing improvements in customer buying behaviors.
- Our ability to attract and retain key personnel required to achieve our plans.
- Foreign exchange rates environment remaining consistent with end of Q2 levels, and similar or better inflation rates, interest rates, customer spending, and other macro-economic conditions.
- Our ability to collect from our customers as planned, and to otherwise manage our cash inflows (including government grants and tax credits) and outflows as we currently expect.
- Expected financial performance as measured by our Adjusted Operating Expense Measures⁽⁴⁾ and Adjusted Operating Expense (%) Measures⁽⁸⁾.
- Our ability to continue to successfully manage expenses in line with our plans.

Our financial outlook does not include the impact of acquisitions that may be announced or closed from time to time.

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Notes to this press release:

- (1) SaaS Subscription Revenue and Net Expansion Rate are Key Performance Indicators of Coveo. Please see the "Key Performance Indicators" section above.
- (2) SaaS Subscription Revenue earned in connection with subscriptions by customers to the Coveo core Platform for the period, and thus excluding revenue from subscriptions to the Qubit Platform.
- (3) SaaS Subscription Revenue earned through subscriptions to the Qubit Platform for the period covered.
- (4) The Adjusted Gross Profit Measures, the Adjusted Operating Expense Measures, and Adjusted EBITDA are non-IFRS financial measures which may not be comparable to similar measures or ratios used by other companies. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.
- (5) Net Expansion Rate excluding the effect of SaaS ACV attributable to subscriptions to the Qubit Platform.
- (6) SaaS ACV means the SaaS annualized contract value of a customer's commitments calculated based on the terms of that customer's subscriptions, and represents the committed annualized subscription amount as of the measurement date.
- (7) Gross retention rate ("GRR") is generally calculated for a period by subtracting SaaS ACV contractions and losses over the period selected from SaaS ACV at the beginning of the period selected and dividing the result by the SaaS ACV from the beginning of the period selected. We use GRR to provide insight into the company's success in retaining existing customers.
- (8) The Adjusted Gross Margin Measures, the Adjusted Operating Expense (%) Measures, and Adjusted Product Gross Margin are non-IFRS ratios. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.

About Coveo

Coveo brings superior AI-Relevance to every point-of-experience, transforming how enterprises connect with their customers and employees to maximize business outcomes.

Relevance is about moving from persona to person, the degree to which the enterprise-wide content, products, recommendations, and advice presented to a person online aligns easily with their context, needs, preferences, behavior and intent, setting the competitive experience gold standard. Every person's journey is unique, and only AI can solve the complexity of tailoring experiences across massive, diverse audiences and large volumes and variety of content and products.

Our Coveo AI-Relevance™ Platform enables enterprises to deliver hyper-personalization at every point-of-experience, unifying all their data securely, with the highest level of contextual and prescriptive accuracy while simultaneously optimizing business outcomes.

Coveo brings AI-Relevance to the digital experiences of many of the world's premier and most innovative brands, serving millions of people across billions of interactions.

Coveo is a trademark of Coveo Solutions Inc.

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Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue				
SaaS subscription	35,902	31,174	70,052	61,731
<i>Coveo core Platform</i>	34,955	29,934	68,080	58,598
<i>Qubit Platform</i>	947	1,240	1,972	3,133
Professional services	1,435	1,566	2,830	3,226
Total revenue	37,337	32,740	72,882	64,957
Cost of revenue				
SaaS subscription	6,534	5,558	13,031	11,175
Professional services	1,387	1,275	3,009	2,629
Total cost of revenue	7,921	6,833	16,040	13,804
Gross profit	29,416	25,907	56,842	51,153
Operating expenses				
Sales and marketing	17,942	14,072	37,055	28,599
Research and product development	10,058	8,648	20,576	19,045
General and administrative	6,592	6,233	13,710	12,896
Depreciation of property and equipment	541	628	1,159	1,375
Amortization of intangible assets	468	737	929	1,462
Depreciation of right-of-use assets	493	358	965	736
Total operating expenses	36,094	30,676	74,394	64,113
Operating loss	(6,678)	(4,769)	(17,552)	(12,960)
Net financial revenue	(1,062)	(1,262)	(2,223)	(2,988)
Foreign exchange loss (gain)	(1,950)	1,723	3,459	742
Loss before income tax expense	(3,666)	(5,230)	(18,788)	(10,714)
Income tax expense	723	147	653	767
Net loss	(4,389)	(5,377)	(19,441)	(11,481)
Net loss per share – Basic and diluted	(0.05)	(0.05)	(0.20)	(0.11)
Weighted average number of shares outstanding – Basic and diluted	95,915,010	98,409,854	96,052,155	100,665,293

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data, unaudited)

The following table presents share-based payments and related expenses recognized by the company:

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Share-based payments and related expenses				
SaaS subscription cost of revenue	364	222	674	360
Professional services cost of revenue	149	142	360	181
Sales and marketing	1,796	919	4,215	1,848
Research and product development	1,462	1,391	3,411	2,878
General and administrative	1,975	1,725	4,471	3,497
Share-based payments and related expenses	5,746	4,399	13,131	8,764

Reconciliation of Net Loss to Adjusted EBITDA
(expressed in thousands of U.S. dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net loss	(4,389)	(5,377)	(19,441)	(11,481)
Net financial revenue	(1,062)	(1,262)	(2,223)	(2,988)
Foreign exchange loss (gain)	(1,950)	1,723	3,459	742
Income tax expense	723	147	653	767
Share-based payments and related expenses ⁽¹⁾	5,746	4,399	13,131	8,764
Amortization and impairment of intangible assets	468	737	929	1,462
Depreciation expenses ⁽²⁾	1,034	986	2,124	2,111
Transaction-related expenses ⁽³⁾	-	114	-	388
Adjusted EBITDA	570	1,467	(1,368)	(235)

(1) These expenses relate to issued stock options and share-based awards under our share-based plans to our employees and directors as well as related payroll taxes that are directly attributable to the share-based payments. These costs are included in product and professional services cost of revenue, sales and marketing, research and product development, and general and administrative expenses.

(2) Depreciation expenses include depreciation of property and equipment and depreciation of right-of-use assets.

(3) These expenses relate to professional, legal, consulting, accounting, advisory, and other fees relating to transactions that would otherwise not have been incurred. These costs are included in general and administrative expenses.

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures
(expressed in thousands of U.S. dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Total revenue	37,337	32,740	72,882	64,957
Gross profit	29,416	25,907	56,842	51,153
<i>Gross margin</i>	79%	79%	78%	79%
Add: Share-based payments and related expenses	513	364	1,034	541
Adjusted Gross Profit	29,929	26,271	57,876	51,694
<i>Adjusted Gross Margin</i>	80%	80%	79%	80%
Product revenue	35,902	31,174	70,052	61,731
Product cost of revenue	6,534	5,558	13,031	11,175
Product gross profit	29,368	25,616	57,021	50,556
<i>Product gross margin</i>	82%	82%	81%	82%
Add: Share-based payments and related expenses	364	222	674	360
Adjusted Product Gross Profit	29,732	25,838	57,695	50,916
<i>Adjusted Product Gross Margin</i>	83%	83%	82%	82%
Professional services revenue	1,435	1,566	2,830	3,226
Professional services cost of revenue	1,387	1,275	3,009	2,629
Professional services gross profit	48	291	(179)	597
<i>Professional services gross margin</i>	3%	19%	(6%)	19%
Add: Share-based payments and related expenses	149	142	360	181
Adjusted Professional Services Gross Profit	197	433	181	778
<i>Adjusted Professional Services Gross Margin</i>	14%	28%	6%	24%

Reconciliation of Adjusted Operating Expense Measures and Adjusted Operating Expense (%)
Measures
(expressed in thousands of U.S. dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Sales and marketing expenses	17,942	14,072	37,055	28,599
<i>Sales and marketing expenses (% of total revenue)</i>	48%	43%	51%	44%
Less: Share-based payments and related expenses	1,796	919	4,215	1,848
Adjusted Sales and Marketing Expenses	16,146	13,153	32,840	26,751
<i>Adjusted Sales and Marketing Expenses (% of total revenue)</i>	43%	40%	45%	41%
Research and product development expenses	10,058	8,648	20,576	19,045
<i>Research and product development expenses (% of total revenue)</i>	27%	26%	28%	29%
Less: Share-based payments and related expenses	1,462	1,391	3,411	2,878
Adjusted Research and Product Development Expenses	8,596	7,257	17,165	16,167
<i>Adjusted Research & Product Development Expenses (% of total revenue)</i>	23%	22%	24%	25%
General and administrative expenses	6,592	6,233	13,710	12,896
<i>General and administrative expenses (% of total revenue)</i>	18%	19%	19%	20%
Less: Share-based payments and related expenses	1,975	1,725	4,471	3,497
Less: Transaction-related expenses	-	114	-	388
Adjusted General and Administrative Expenses	4,617	4,394	9,239	9,011
<i>Adjusted General and Administrative Expenses (% of total revenue)</i>	12%	13%	13%	14%

Condensed Interim Consolidated Statements of Financial Position
(expressed in thousands of U.S. dollars, unaudited)

	September 30, 2025	March 31, 2025
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	108,223	124,752
Trade and other receivables	34,592	36,564
Government assistance	8,594	6,280
Prepaid expenses	8,158	9,845
	159,567	177,441
Non-current assets		
Contract acquisition costs	11,805	10,908
Property and equipment	3,782	4,192
Intangible assets	2,219	3,012
Right-of-use assets	8,179	5,179
Deferred tax assets	3,148	3,337
Goodwill	26,968	26,290
Total assets	215,668	230,359
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	21,539	18,602
Deferred revenue	70,592	77,387
Current portion of lease obligations	2,514	1,999
	94,645	97,988
Non-current liabilities		
Lease obligations	7,805	5,464
Total liabilities	102,450	103,452
Shareholders' Equity		
Share capital	762,288	768,754
Contributed surplus	84,052	76,273
Deficit	(688,792)	(669,351)
Accumulated other comprehensive loss	(44,330)	(48,769)
Total shareholders' equity	113,218	126,907
Total liabilities and shareholders' equity	215,668	230,359

Condensed Interim Consolidated Statements of Cash Flows
(expressed in thousands of U.S. dollars, unaudited)

	Six months ended September 30,	
	2025	2024
	\$	\$
Cash flows from (used in) operating activities		
Net loss	(19,441)	(11,481)
Items not affecting cash		
Amortization of contract acquisition costs	2,404	2,147
Depreciation of property and equipment	1,159	1,375
Amortization of intangible assets	929	1,462
Depreciation of right-of-use assets	965	736
Share-based payments	11,797	9,477
Interest on lease obligations	204	224
Deferred income tax expense	576	778
Unrealized foreign exchange loss	3,311	646
Changes in operating assets and liabilities	(5,603)	(910)
	(3,699)	4,454
Cash flows used in investing activities		
Additions to property and equipment	(534)	(554)
Additions to intangible assets	(23)	(9)
	(557)	(563)
Cash flows used in financing activities		
Proceeds from exercise of stock options	941	978
Tax withholding for net share settlement	(2,862)	(1,490)
Payments on lease obligations	(1,389)	(1,256)
Shares repurchased and cancelled	(9,554)	(40,588)
	(12,864)	(42,356)
Effect of foreign exchange rate changes on cash and cash equivalents	591	41
Decrease in cash and cash equivalents during the period	(16,529)	(38,424)
Cash and cash equivalents – beginning of period	124,752	166,586
Cash and cash equivalents – end of period	108,223	128,162
Cash	57,730	22,888
Cash equivalents	50,493	105,274