

June 14, 2022



# Coveo Reports Fourth Quarter and Fiscal Year 2022 Financial Results

*Fourth quarter SaaS Subscription Revenue grew 52% year-over-year to \$23.1 million  
Fourth quarter total revenue increased 46% percent year-over-year to \$25.5 million  
Current SaaS Subscription Remaining Performance Obligations grew 52% year-over-year to \$80.6 million as of the fourth quarter*

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

MONTREAL and SAN FRANCISCO, June 14, 2022 (GLOBE NEWSWIRE) -- [Coveo Solutions Inc.](#) ("Coveo" or the "Company") (TSX: CVO), a leader in AI-powered relevance platforms that transform search, recommendations, and personalization within digital experiences, today announced financial results for its fourth quarter and fiscal year 2022, ended March 31, 2022.

"We are continuing to see strong demand for the Coveo Relevance Cloud™ platform in the market, which helped us to deliver another record quarter with revenue that exceeded our expectations," said Louis Têtu, Chairman and CEO of Coveo. "Our mission is to accelerate the application of AI platforms in enterprises to deliver great customer experiences while improving business outcomes, and we believe that our performance demonstrates that this mission is resonating in the market. As we look ahead to fiscal year 2023 and beyond, we firmly believe in the significant opportunity in front of us to deliver relevant digital experiences at scale for all businesses."

## Fourth Quarter Fiscal 2022 Financial Highlights

- SaaS Subscription Revenue grew 52% year-over-year to \$23.1 million.
- Total revenue was \$25.5 million, an increase of 46% year-over-year compared to \$17.4 million in the fourth quarter of fiscal 2021.
- Gross profit (%) was 73%, a decrease of 3% year-over-year, and product gross profit (%) was 79%, a decrease of 1% year-over-year. Adjusted Gross Profit (%) <sup>(1)</sup> was 76%, in-line with the fourth quarter of fiscal 2021. Adjusted Product Gross Profit (%) <sup>(1)</sup> was 81%, an increase of 1% compared to the fourth quarter of fiscal 2021.
- Operating loss was \$19.4 million and Adjusted Operating Loss<sup>(2)</sup> was \$8.6 million.
- Net loss was \$19.4 million, compared to a net loss of \$384.9 million in the fourth quarter of fiscal 2021. Net loss per share was \$0.19, compared to a net loss per share of \$20.66 in the fourth quarter of fiscal 2021. Net loss in the fourth quarter of fiscal 2021 was impacted by a non-cash loss of \$300.4 million and an associated income tax expense of \$76.1 million, each related to our preferred shares, which were converted into multiple voting shares immediately prior to our IPO.
- Cash flows used in operations was \$11.9 million, and cash and cash equivalents were

\$223.1 million as of March 31, 2022.

### **Full Year Fiscal 2022 Financial Highlights**

- SaaS Subscription Revenue grew 41% year-over-year to \$77.9 million.
- Total revenue was \$86.5 million, an increase of 33% year-over-year compared to \$64.9 million in fiscal 2021.
- Current SaaS Subscription Remaining Performance Obligations of \$80.6 million as of March 31, 2022, up 52% year-over-year compared to \$53.1 million in the fourth quarter of fiscal 2021.
- Gross profit (%) was 75%, which was in-line with fiscal 2021. Product gross profit (%) was 80%, an increase of 1% compared to fiscal 2021. Adjusted Gross Profit (%) <sup>(1)</sup> was 77%, a 2% increase compared to fiscal 2021. Adjusted Product Gross Profit (%) <sup>(1)</sup> was 81%, an increase of 2% compared to fiscal 2021.
- Operating loss was \$57.3 million and Adjusted Operating Loss<sup>(2)</sup> was \$28.1 million.
- Net income was \$418.3 million, compared to a net loss of \$600.0 million in fiscal 2021. Net income per share was \$8.23, compared to a net loss per share of \$32.64 in fiscal 2021. Net income in fiscal 2022 was impacted by a non-cash gain of \$299.4 million and an associated income tax recovery of \$189.7 million, each related to our preferred shares, which were converted into multiple voting shares immediately prior to our IPO. Net loss in fiscal 2021 was impacted by a non-cash loss of \$451.9 million and an associated income tax expense of \$116.8 million, each also related to our preferred shares.
- Cash flows used in operations was \$35.4 million.

### **Fourth Quarter Fiscal 2022 Operational Highlights**

- Net Expansion Rate of 110% as of March 31, 2022.
- Over 600 SaaS subscription customers as of March 31, 2022, compared to over 475 SaaS subscription customers as of September 30, 2021.
- Over 725 employees as of March 31, 2022.
- Recognized as a gold medalist and leader in the 2022 Enterprise Search Data Quadrant report from SoftwareReviews, a division of IT research and consulting firm Info-Tech Research Group. The award is based on the collective knowledge of real users and placement is based on satisfaction with product features, vendor experience, capabilities, and emotional sentiment.
- Launched intent aware re-ranking that personalizes search behavior on a website even for first-time shoppers or customers who haven't yet logged in. Coveo's machine learning algorithms capture intent after just a few clicks, resulting in product rankings that are truly relevant and adapt to each shopper's interactions.
- Introduced the Coveo for Slack app integration, which enables Slack users to find relevant content from any external source. With a simple slash command from any channel, employees can easily find the content they need while staying in the flow of work.
- Released embedded AppExchange Chat functionality within the Coveo AI-Powered Search & Recommendations listing on Salesforce AppExchange, empowering customers to connect with Coveo experts in real time and make better business decisions.

## Financial Outlook

Coveo anticipates SaaS Subscription Revenue, Total Revenue, Adjusted Operating Loss, and Weighted Average Shares Outstanding to be in the following ranges:

	Q1 FY'23	Full Year FY'23
SaaS Subscription Revenue	\$23.1 – \$23.6 million	\$101.0 – \$103.0 million
Total Revenue	\$25.1 – \$25.6 million	\$109.0 – \$111.0 million
Adjusted Operating Loss (2)	\$8.0 – \$9.0 million	\$32.0 – \$34.0 million
Weighted Average Shares Outstanding	103.7 – 104.2 million	104.0 – 105.0 million

These statements are forward-looking and actual results may differ materially. Please refer to the “Forward-Looking Information” section below for information on the factors that could cause our actual results to differ materially from these forward-looking statements.

Coveo’s outlook also constitutes a "financial outlook" within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company's financial performance and measuring progress toward management's objectives and the reader is cautioned that it may not be appropriate for other purposes.

- (1) Adjusted Gross Profit (%) and Adjusted Product Gross Profit (%) are non-IFRS ratios. Please see the “Non-IFRS Financial Measures, Non-IFRS Ratios, and Key Performance Indicators” section below.
- (2) Adjusted Operating Loss is a non-IFRS financial measure. Please see the “Non-IFRS Financial Measures, Non-IFRS Ratios, and Key Performance Indicators” section below.

## Conference Call Information

Coveo will host a conference call today at 5:00 p.m. Eastern Time today to discuss its financial results for its fourth quarter and fiscal year 2022. The call will be hosted by Louis Têtu, Chairman and CEO, and Jean Lavigreur, CFO.

Date: Tuesday, June 14, 2022  
Time: 5:00 p.m. Eastern Time  
Dial in number: Canada/US: 888-394-8218  
Confirmation Code: 4551061  
Live webcast: [ir.coveo.com](https://ir.coveo.com) under the “News & Events” section  
Webcast will be available for one year at [ir.coveo.com](https://ir.coveo.com)

## Non-IFRS Financial Measures, Non-IFRS Ratios, and Key Performance Indicators

Coveo’s audited annual 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 Operating Loss; (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 Profit (%), Adjusted Product Gross Profit (%), and Adjusted Professional Services Gross Profit (%) (collectively referred to as our “Adjusted Gross Profit (%) 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 should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. Adjusted Operating Loss, the Adjusted Gross Profit Measures, the Adjusted Gross Profit (%) Measures, the Adjusted Operating Expense Measures, and the Adjusted Operating Expense (%) Measures are used to provide investors with supplemental measures 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. The Company’s management also believes that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Coveo’s management uses and intends to continue to use non-IFRS measures in order to facilitate operating performance comparisons from period to period, and to prepare annual operating budgets and forecasts.

See the “Non-IFRS Financial Measures and Ratios and Reconciliation of Non-IFRS Financial Measures and Ratios” section of our management’s discussion and analysis for the three months and years ended March 31, 2022 and March 31, 2021, dated June 14, 2022 (the “MD&A”), which is available under our profile on SEDAR at [www.sedar.com](http://www.sedar.com), for a description of these measures which is incorporated by reference hereto. See the financial tables below for reconciliations of (i) Adjusted Operating Loss to operating 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.

This press release also refers to SaaS Subscription Revenue, Current SaaS Subscription Remaining Performance Obligations, and Net Expansion Rate, which are operating metrics used in Coveo’s industry. Please refer to the “Key Performance Indicators” section of our MD&A for a description of these metrics.

### **Forward-Looking Information**

This press release contains “forward-looking information” within the meaning of applicable securities laws, including Coveo’s financial outlook on SaaS Subscription Revenue, Total Revenue, Adjusted Operating Loss, and Weighted Average Shares Outstanding for the three months ending on June 30, 2022 and the year ending on March 31, 2023. 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.

Coveo's financial outlook on SaaS Subscription Revenue, Total Revenue, Adjusted Operating Loss, and Weighted Average Shares Outstanding also constitutes "financial outlook" within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company's financial performance and measuring progress toward management's objectives and the reader is cautioned that it may not be appropriate for other purposes.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions that we considered appropriate and reasonable as of the date such statements are made. 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: our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; 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; assumptions regarding our future capital requirements; assumptions regarding available liquidity under our revolving credit facility; the accuracy of our estimates of market opportunity and growth forecasts; our success in identifying and evaluating, as well as financing and integrating, any acquisitions, partnerships, or joint ventures; and our ability to execute on our expansion plans. 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 the risk factors described under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). 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.

Moreover, we operate in a very competitive and rapidly changing environment. 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 these forward-looking statements, as actual outcomes and results may differ materially from those contemplated by these forward-looking statements as a result of such risks and uncertainties. Additional information will also be set forth in other filings that we make with the CSA from time to time. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events

that occur or circumstances that exist after the date on which they were made.

## About Coveo Solutions Inc.

We believe that relevance is critical for businesses to win in the new digital experience economy, to serve people the way they expect, and that applied AI is an imperative. Coveo is a market-leading AI-powered relevance platform. Our SaaS-native, multi-tenant platform injects search, recommendations, and personalization solutions into digital experiences. We provide solutions for commerce, service, website, and workplace applications. Our solutions are designed to provide tangible value to our customers by helping drive conversion and revenue growth, reduce customer support costs, increase customer satisfaction and website engagement, and improve employee proficiency and satisfaction. Our AI powers relevant interactions for hundreds of the world's most innovative brands and is supported by a large network of global system integrators and implementation partners.

Coveo is a trademark of Coveo Solutions, Inc.

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### Consolidated Statements of Income or Loss and Comprehensive Income or Loss (expressed in thousands of US dollars, except share and per share data, audited)

	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Revenue</b>				
SaaS subscription	23,071	15,217	77,853	55,274
Self-managed licenses and maintenance	333	1,012	2,375	5,014
<b>Product revenue</b>	<b>23,404</b>	<b>16,229</b>	<b>80,228</b>	<b>60,288</b>
Professional services	2,105	1,205	6,260	4,569
<b>Total revenue</b>	<b>25,509</b>	<b>17,434</b>	<b>86,488</b>	<b>64,857</b>
<b>Cost of revenue</b>				
Product	4,878	3,236	16,093	12,791
Professional services	1,957	996	5,363	3,611
<b>Total cost of revenue</b>	<b>6,835</b>	<b>4,232</b>	<b>21,456</b>	<b>16,402</b>
<b>Gross profit</b>	<b>18,674</b>	<b>13,202</b>	<b>65,032</b>	<b>48,455</b>
<b>Operating expenses</b>				
Sales and marketing	14,121	11,231	47,771	33,606

Research and product development	10,653	5,624	30,099	16,078
General and administrative	9,820	4,290	36,759	13,369
Depreciation of property and equipment	692	605	2,677	2,008
Amortization of intangible assets	2,369	21	3,467	203
Depreciation of right-of-use assets	379	416	1,517	1,577
<b>Total operating expenses</b>	<b>38,034</b>	<b>22,187</b>	<b>122,290</b>	<b>66,841</b>
<b>Operating loss</b>	<b>(19,360)</b>	<b>(8,985)</b>	<b>(57,258)</b>	<b>(18,386)</b>
Change in redeemable preferred shares – conversion rights component fair value	-	300,357	(299,428)	451,914
Net financial expenses	(59)	4,515	12,501	16,403
Foreign exchange loss	81	623	362	2,155
<b>Income (loss) before income taxes</b>	<b>(19,382)</b>	<b>(314,480)</b>	<b>229,307</b>	<b>(488,858)</b>
Income tax expense (recovery)	3	70,451	(188,969)	111,167
<b>Net income (loss)</b>	<b>(19,385)</b>	<b>(384,931)</b>	<b>418,276</b>	<b>(600,025)</b>
<b>Other comprehensive income (loss)</b>				
Items that may be reclassified to the consolidated statements of income (loss)				
Foreign currency differences on translation to presentation currency	2,251	(10,895)	(386)	(58,194)
<b>Total comprehensive income (loss)</b>	<b>(17,134)</b>	<b>(395,826)</b>	<b>417,890</b>	<b>(658,219)</b>
<b>Net income (loss) per share</b>				
Basic	(0.19)	(20.66)	8.23	(32.64)
Diluted	(0.19)	(20.66)	(0.59)	(32.64)
Weighted average number of shares outstanding				
Basic	103,591,904	18,587,100	50,811,216	18,381,991
Diluted	103,591,904	18,587,100	100,361,285	18,381,991

**Consolidated Statements of Income or Loss and Comprehensive Income or Loss**  
(expressed in thousands of US dollars, except share and per share data, audited)

The following table presents share-based compensation and related expenses recognized by the Company:

	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Product cost of revenue	282	21	512	73
Professional services cost of revenue	262	55	468	88
Sales and marketing	1,746	243	2,899	555
Research and product development	2,692	505	4,229	791
General and administrative	4,140	899	5,341	1,401
	<b>9,122</b>	<b>1,723</b>	<b>13,449</b>	<b>2,908</b>

**Reconciliation of Adjusted Operating Loss to Operating Loss**  
(expressed in thousands of US dollars)

	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Operating loss</b>	(19,360)	(8,985)	(57,258)	(18,386)
Share-based compensation and related expenses <sup>(1)</sup>	9,122	1,723	13,449	2,908
Amortization of acquired intangible assets <sup>(2)</sup>	1,204	42	2,207	125
Acquisition-related compensation <sup>(3)</sup>	243	121	987	483
Transaction-related expenses <sup>(4)</sup>	140	-	1,979	-
Charitable contributions <sup>(5)</sup>	64	32	10,544	91
<b>Adjusted Operating Loss</b>	<b>(8,587)</b>	<b>(7,067)</b>	<b>(28,092)</b>	<b>(14,779)</b>

- (1) These expenses represent non-cash expenditures recognized in connection with issued stock options, restricted shares units, and other awards under 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, and sales and marketing, research and product development, and general and administrative expenses.
- (2) These expenses represent the amortization of intangible assets acquired through the Tooso, Inc. and Qubit acquisitions. These costs are included in amortization of intangible assets.
- (3) These expenses relate to non-recurring acquisition-related compensation in connection with the Tooso, Inc. and Qubit acquisitions. These costs are included in product and professional services cost of revenue, and sales and marketing, research and product development, and general and administrative expenses.
- (4) These expenses include professional, legal, consulting, and accounting fees related to the IPO and the acquisition of Qubit. These costs are included in general and administrative expenses.
- (5) These expenses represent charitable contributions of the Company, including the one-time 1% pledge of our equity. These costs are included in general and administrative expenses.

**Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Profit (%) Measures**  
(expressed in thousands of US dollars)

	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Total revenue</b>	<b>25,509</b>	<b>17,434</b>	<b>86,488</b>	<b>64,857</b>
<b>Gross profit</b>	<b>18,674</b>	<b>13,202</b>	<b>65,032</b>	<b>48,455</b>
<i>Gross profit (%)</i>	73%	76%	75%	75%
Add: Share-based payment and related expenses	544	76	980	161
Add: Acquisition-related compensation	84	-	247	-
<b>Adjusted Gross Profit</b>	<b>19,302</b>	<b>13,278</b>	<b>66,259</b>	<b>48,616</b>
<i>Adjusted Gross Profit (%)</i>	76%	76%	77%	75%
<b>Product revenue</b>	<b>23,404</b>	<b>16,229</b>	<b>80,228</b>	<b>60,288</b>
<b>Product cost of revenue</b>	<b>4,878</b>	<b>3,236</b>	<b>16,093</b>	<b>12,791</b>
<b>Product gross profit</b>	<b>18,526</b>	<b>12,993</b>	<b>64,135</b>	<b>47,497</b>
<i>Product gross profit (%)</i>	79%	80%	80%	79%
Add: Share-based payment and related expenses	282	21	512	73
Add: Acquisition-related compensation	57	-	94	-
<b>Adjusted Product Gross Profit</b>	<b>18,865</b>	<b>13,014</b>	<b>64,741</b>	<b>47,570</b>
<i>Adjusted Product Gross Profit (%)</i>	81%	80%	81%	79%
<b>Professional services revenue</b>	<b>2,105</b>	<b>1,205</b>	<b>6,260</b>	<b>4,569</b>



<b>Professional services cost of revenue</b>	<b>1,957</b>	<b>996</b>	<b>5,363</b>	<b>3,611</b>
<b>Professional services gross profit</b>	<b>148</b>	<b>209</b>	<b>897</b>	<b>958</b>
<i>Professional Services gross profit (%)</i>	7%	17%	14%	21%
Add: Share-based payment and related expenses	262	55	468	88
Add: Acquisition-related compensation	27	-	153	-
<b>Adjusted Professional Services Gross Profit</b>	<b>437</b>	<b>264</b>	<b>1,518</b>	<b>1,046</b>
<i>Adjusted Professional Services Gross Profit (%)</i>	21%	22%	24%	23%

**Reconciliation of Adjusted Operating Expense Measures and Adjusted Operating Expense (%) Measures**  
(expressed in thousands of US dollars)

	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Sales and marketing expenses</b>	<b>14,121</b>	<b>11,231</b>	<b>47,771</b>	<b>33,606</b>
<i>Sales and marketing expenses (%)</i>	55%	64%	55%	52%
Less: Share-based payment and related expenses	1,746	243	2,899	555
Less: Acquisition-related compensation	51	-	118	-
<b>Adjusted Sales and Marketing Expenses</b>	<b>12,324</b>	<b>10,988</b>	<b>44,754</b>	<b>33,051</b>
<i>Adjusted Sales and Marketing Expenses (%)</i>	48%	63%	52%	51%
<b>Research and product development expenses</b>	<b>10,653</b>	<b>5,624</b>	<b>30,099</b>	<b>16,078</b>
<i>Research and product development expenses (%)</i>	42%	32%	35%	25%
Less: Share-based payment and related expenses	2,692	505	4,229	791
Less: Acquisition-related compensation	99	121	604	483
<b>Adjusted Research and Product Development Expenses</b>	<b>7,862</b>	<b>4,998</b>	<b>25,266</b>	<b>14,804</b>
<i>Adjusted Research and Product Development Expenses (%)</i>	31%	29%	29%	23%
<b>General and administrative expenses</b>	<b>9,820</b>	<b>4,290</b>	<b>36,759</b>	<b>13,369</b>
<i>General and administrative expenses (%)</i>	38%	25%	43%	21%
Less: Share-based payment and related expenses	4,140	899	5,341	1,401
Less: Acquisition-related compensation	9	-	18	-
Less: Transaction-related expenses	140	-	1,979	-
Less: Charitable contributions	64	32	10,544	91
<b>Adjusted General and Administrative Expenses</b>	<b>5,467</b>	<b>3,359</b>	<b>18,877</b>	<b>11,877</b>
<i>Adjusted General and Administrative Expenses (%)</i>	21%	19%	22%	18%

**Consolidated Statements of Financial Position**  
(expressed in thousands of US dollars, audited)

	March 31, 2022	March 31, 2021
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	223,072	55,399
Short-term investments	-	76,472
Trade and other receivables	25,476	18,056
Government assistance and refundable tax credits	10,443	4,189
Prepaid expenses	5,861	3,953
	<b>264,852</b>	<b>158,069</b>

**Non-current assets**

Contract acquisition costs	10,858	8,624
Property and equipment	8,704	9,577
Intangible assets	20,605	584
Right-of-use assets	9,255	10,268
Deferred tax assets	4,616	5,672
Goodwill	26,610	1,247

**Total assets**

<b>345,500</b>	<b>194,041</b>
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**Liabilities****Current liabilities**

Trade payable and accrued liabilities	22,910	16,550
Current portion of deferred revenue	49,879	37,144
Current portion of lease obligations	1,916	1,555
	<b>74,705</b>	<b>55,249</b>

**Non-current liabilities**

Deferred revenue	513	680
Lease obligations	11,169	12,588
Redeemable preferred shares		
Debt component	-	195,701
Conversion rights component	-	742,653
Deferred tax liabilities	3,677	186,249
Total liabilities	<b>90,064</b>	<b>1,193,120</b>

**Shareholders' Equity (Deficiency)**

Share capital	859,944	16,957
Conversion rights – Series A	-	1,105
Contributed surplus	15,295	5,794
Deficit	(592,256)	(995,774)
Accumulated other comprehensive loss	(27,547)	(27,161)
Total shareholders' equity (deficiency)	<b>255,436</b>	<b>(999,079)</b>

**Total liabilities and shareholders' equity (deficiency)**

<b>345,500</b>	<b>194,041</b>
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**Consolidated Statements of Cash Flows**

(expressed in thousands of US dollars, audited)

	<b>Year ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from (used in) operating activities</b>		
Net income (loss)	418,276	(600,025)
Items not affecting cash		
Amortization of contract acquisition costs	3,839	3,315
Depreciation of property and equipment	2,677	2,008
Amortization of intangible assets	3,467	203
Depreciation of right-of-use assets	1,517	1,577
Interest accretion	11,906	15,869
Change in redeemable preferred shares – conversion rights component fair value	(299,428)	451,914

Donation of shares	10,379	-
Share-based compensation	10,261	1,840
Change in fair value of short-term investments	103	(145)
Interest on lease obligations	722	727
Variation of deferred tax assets and liabilities	(189,211)	111,106
Unrealized foreign exchange loss	293	2,179
Changes in non-cash working capital items	(10,225)	15,210
	<b>(35,424)</b>	<b>5,778</b>
<b>Cash flows from (used in) investing activities</b>		
Business combination, net of cash acquired	(37,591)	-
Proceeds from disposal of short-term investments	76,351	34,300
Additions to property and equipment	(1,385)	(3,091)
Proceeds from disposal of property and equipment	-	4
Additions to intangible assets	(757)	(499)
	<b>36,618</b>	<b>30,714</b>
<b>Cash flows from (used in) financing activities</b>		
Share capital issued	195,920	-
Share capital issuance costs	(16,299)	-
Consideration to a shareholder	(14,758)	-
Proceeds from exercise of stock options	848	3,065
Payments on lease obligations net of lease incentives received	(2,309)	(883)
	<b>163,402</b>	<b>2,182</b>
Effect of foreign exchange rate changes on cash	3,077	634
<b>Increase in cash during the period</b>	<b>167,673</b>	<b>39,308</b>
Cash – beginning of period	55,399	16,091
<b>Cash – end of period</b>	<b>223,072</b>	<b>55,399</b>



Source: Coveo Solutions Inc.