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Coveo Announces Completion of Substantial Issuer Bid and Launch of Normal Course Issuer Bid

MONTREAL and SAN FRANCISCO, July 12, 2023 (GLOBE NEWSWIRE) -- [Coveo Solutions Inc.](#) ("**Coveo**" or the "**Company**") (TSX: CVO), a leader in AI platforms that transform digital experiences with intelligent search, recommendations, 1:1 personalization, and merchandising, announced today that it has taken up and paid for 3,706,194 of its subordinate voting shares ("**Shares**") (including certain multiple voting shares ("**Multiple Voting Shares**") on an as-converted basis) at a price of C\$8.50 per Share under Coveo's substantial issuer bid (the "**SIB**") to purchase for cancellation a number of its Shares for an aggregate purchase price not to exceed C\$40 million. Coveo further announced today that its board of directors has authorized a normal course issuer bid (the "**NCIB**") to purchase for cancellation up to 2,559,247 Shares over the twelve-month period commencing on July 17, 2023 and ending no later than July 16, 2024.

Completion of Substantial Issuer Bid

The Shares purchased under the SIB represent an aggregate purchase price of approximately C\$31.5 million and approximately 3.5% of the total number of Coveo's issued and outstanding Shares and Multiple Voting Shares (on a non-diluted basis) as of July 10, 2023. After giving effect to the SIB, Coveo will have 51,184,943 Shares and 51,033,529 Multiple Voting Shares issued and outstanding.

Based on the final count by TSX Trust Company, acting as depositary for the SIB (the "**Depositary**"), a total of 3,706,194 Shares (including Multiple Voting Shares on an as-converted basis) were validly tendered and not withdrawn pursuant to auction tenders at or below the purchase price and purchase price tenders. As the total number of Shares tendered was less than the total that could have been purchased by the Company under the terms of the SIB, all Shares and Multiple Voting Shares validly deposited and not withdrawn will be purchased under the SIB and no proration was required.

Payment and settlement of the purchased Shares will be effected by the Depositary on or about July 14, 2023 in accordance with the SIB and applicable law. Any Shares or Multiple Voting Shares invalidly tendered will be returned to shareholders as soon as practicable by the Depositary.

The full details of the SIB are described in the offer to purchase and issuer bid circular dated May 30, 2023, as well as the related letter of transmittal and notice of guaranteed delivery, copies of which were filed and are available under our profile on SEDAR at www.sedar.com.

To assist shareholders in determining the tax consequences of the SIB, Coveo estimates that for the purposes of the Income Tax Act (Canada), the paid-up capital per Share is

approximately C\$6.73. Given that the purchase price of C\$8.50 per Share exceeds the paid-up capital per Share, shareholders who have sold Shares to Coveo under the SIB will be deemed to have received a taxable dividend as a result of such sale for Canadian federal income tax purposes equal to the amount by which the purchase price per Share exceeds the paid-up capital per Share. The dividend deemed to have been paid by Coveo to Canadian resident persons is designated as an “eligible dividend” for purposes of the *Income Tax Act* (Canada) and any corresponding provincial and territorial tax legislation.

The “specified amount” for purposes of subsection 191(4) of the *Income Tax Act* (Canada) is C\$8.15, being the closing trading price for the Shares on the TSX on July 10, 2023. Shareholders should consult with their own tax and other advisors with respect to the income tax consequences of the disposition of their Shares under the SIB.

Launch of Normal Course Issuer Bid

Coveo also announced today that the board of directors of the Company has authorized, and the Toronto Stock Exchange (the “**TSX**”) has approved, Coveo’s notice of intention to make a normal course issuer bid to purchase Shares for cancellation in accordance with the rules of the TSX. As such, Coveo is launching a normal course issuer bid to purchase for cancellation up to 2,559,247 Shares over the twelve-month period commencing on July 17, 2023 and ending no later than July 16, 2024, representing approximately 5% of the 51,184,943 Shares issued and outstanding as at July 10, 2023, taking into account the 3,706,194 Shares (including 480,000 Multiple Voting Shares on an as-converted basis) the Company is buying back under the SIB.

The NCIB will be conducted through the facilities of the Toronto Stock Exchange (the “**TSX**”) or alternative Canadian trading systems and will conform to their regulations. Shares will be acquired under the NCIB at the market price at the time of purchase. Purchases under the NCIB will be made by means of open market transactions, including through privately negotiated transactions or such other means as a securities regulatory authority may permit. In the event that the Company acquires Shares by other means as a securities regulatory authority may permit, the purchase price of the Shares may be different than the market price of the Shares at the time of the acquisition. Purchases made under an issuer bid exemption order will be at a discount to the prevailing market price as per the terms of the order.

Furthermore, under the NCIB, Coveo may make, once per week, a block purchase (as such term is defined in the TSX Company Manual) at market price, in accordance with TSX rules. Under TSX rules, block purchases may not be made, directly or indirectly, from any insider of the Company, including shareholders of Coveo holding more than 10% of the Shares or the Multiple Voting Shares. Coveo will otherwise be allowed to purchase daily, through the facilities of the TSX, a maximum of 15,251 subordinate voting shares representing 25% of the average daily trading volume, as calculated per the TSX rules for the six-month period starting on January 1, 2023 and ending on June 30, 2023.

Coveo is implementing the NCIB as it provides it with a capital allocation alternative, with a view to continue to create long-term shareholder value. Coveo’s board of directors and management believe that the market price of the Shares may from time to time not reflect the underlying value of the Shares, and purchases of Shares for cancellation under the NCIB provides both (i) an opportunity to enhance shareholder value, as purchasing Shares

for cancellation through an NCIB increases each shareholder's relative equity interests in Coveo, and (ii) liquidity to selling shareholders in the market. The actual number of Shares purchased under the NCIB, the timing of purchases and the price at which the Shares are purchased will depend on various factors, including Coveo's capital and liquidity positions, accounting and tax considerations, Coveo's operational performance, alternative uses of capital, the trading price of the Shares on the TSX, and market conditions.

Coveo has not repurchased any of its outstanding subordinate voting shares under a normal course issuer bid in the past 12 months. Coveo may implement an automatic share purchase plan during the course of the NCIB.

This press release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Coveo's shares.

Forward-Looking Information

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including statements relating to the SIB (including the timing of payment and settlement for Shares purchased under the SIB and the number of Shares and Multiple Voting Shares expected to be issued and outstanding after completion of the SIB), statements relating to the NCIB (including purchases thereunder, and the price, timing and size of such purchases), and other statements that are not historical facts (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 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. 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 available under our profile on SEDAR at 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, readers 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 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. 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.

About Coveo Solutions Inc.

We believe AI is a competitive imperative to deliver the delightful and relevant digital experiences people expect, while maximizing profitability. Coveo accelerates the application of AI platforms in enterprises, helping them personalize and profitize every experience at scale.

The Coveo Relevance Cloud™ platform is a market-leading AI platform that enhances search, recommendations, personalization, and merchandising intelligence in digital experiences across commerce, service, website, and workplace applications. Coveo's platform includes analytics, AI model testing capabilities, and can easily integrate into almost any digital user experience a large enterprise delivers. Our platform is cloud-native SaaS, multi-tenant, API-first, and headless. Coveo has been a pioneer in the application of AI within the enterprise. Our Coveo Relevance Generative Answering capability, which integrates LLM technologies with Coveo's platform to feed generative AI with a common, secure unified index and real-time content, helps to drive relevance at scale, consistent factuality, secure sources of truth across all channels, and specifically solves the key challenges found with other generative AI platforms for the enterprise.

We help hundreds of the world's leading brands create tangible financial value. We believe our platform is differentiated by its sophisticated applied AI, designed to deliver highly relevant, bespoke digital experiences that drive superior business outcomes. In addition, our platform's scalability, rapid time to value, enterprise-grade security and compliance, and native integrations with other third-party technology applications set us apart. We are a Salesforce Summit ISVforce Partner, an SAP® Endorsed App, and an Adobe Accelerate Exchange Partner.

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Source: Coveo Solutions Inc.