

## Investor Presentation

August 2023

Al is Transforming the Business World

## Coveo is Leading the Way

## Disclaimer

Une copie de cette présentation peut être obtenue en français sur demande. A French copy of this presentation can be made available upon request.

This presentation ("Presentation") is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in our Annual Information Form dated May 30, 2023 (the "AIF"), as well as in latest financial statements available under our profile on SEDAR+ at www.sedarplus.ca, together with the notes thereto and, as applicable, the auditor's report thereon (collectively, the "Financial Statements"), as well as the corresponding management's discussion and analysis (the "MD&A"). All references to "US\$", "\$", and "U.S. dollars" are to United States dollars and all references to "C\$" are to Canadian dollars. Readers should not construe the contents of this Presentation as legal, tax, regulatory, financial or accounting advice. Coveo believes that the market, industry, customer and other data presented in this Presentation is reliable and, with respect to data prepared by Coveo or on its behalf, that Coveo's estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof.

#### **Forward-Looking Information**

This Presentation contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including, as applicable, with respect to Coveo's financial outlook on SaaS Subscription Revenue, Total Revenue, and Adjusted Operating Loss and expectations around achieving positive operating cash flow and the timing thereof (collectively, "forward-looking information") within the meaning of applicable securities laws. Please refer to the "Forward-Looking Information" section of our latest earnings press release on file on SEDAR+ as of the date hereof for a cautionary statement regarding forward-looking information included in this Presentation. Such cautionary statement is deemed to be included by reference in this Presentation.

#### Non-IFRS Measures and Ratios

The information presented in this Presentation includes non-IFRS financial measures and ratios. These measures and ratios should not be considered in isolation nor as a substitute for analysis of Coveo's financial information reported under IFRS. These measures and ratios are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Coveo believes the non-IFRS measures and ratios used in this Presentation provide its management and investors consistency and comparability with its past financial performance and facilitate period-to-period comparisons of operations, as they generally eliminate the effects of certain variables from period to period for reasons unrelated to overall operating performance. Please refer to the Appendix for details of the composition of, as applicable, Adjusted Operating Loss, Adjusted Gross Profit, Adjusted Product Gross Profit, Adjusted Professional Services Gross Profit, Adjusted Gross Margin, Adjusted Product Gross Margin, Adjusted Professional Services Gross Margin, Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, Adjusted General and Administrative Expenses, Adjusted Sales and Marketing Expenses (%), Adjusted Research and Product Development Expenses (%), Adjusted General and Administrative Expenses (%), SaaS Subscription Revenue at constant currency, total revenue at constant currency, SaaS Subscription Revenue growth at constant currency and total revenue growth at constant currency, as well as the reconciliations of such measures to the most directly comparable IFRS measure, where applicable.

#### Key Performance Indicators

This Presentation refers to, as applicable, SaaS Subscription Revenue, Current Remaining Performance Obligations, SaaS Annualized Contract Value, and Net Expansion Rate, which are operating metrics used in Coveo's industry. Please refer to the "Definition of Key Performance Indicators" section of the Appendix for the definitions of the key performance indicators used throughout this Presentation.











## After a decade of working with forwardthinking global enterprises, we know what it takes to gain an **Al Experience Advantage**



As of Q4 FY'23.

650+ global brands<sup>(1)</sup>

10+ years Providing Al-powered

search, recommendations, and personalization

~750 Employees, ~40% in  $R\&D^{(1)}$ 

20 Al innovations releases / day





## Coveo at a Glance

Market Leading AI Platform for Helping **Enterprises Drive Personalization at Scale** 





#### Adobe

Adobe Gold Technology Partner



Gartner Magic Quadrant Leader 2022 **FORRESTER**<sup>®</sup>

Wave Report Leader 2021

INFO~TECH

#### **ES Market Report Leader 2022**



(1) SaaS Subscription Revenue and Net Expansion Rate are Key Performance Indicators of Coveo. Please refer to the "Definition of key performance indicators" section of the Appendix for the definition of the measures. (2) SaaS Subscription Revenue growth at constant currency is a non-IFRS ratio. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation table in the Appendix for the definition of the measure and reconciliation to SaaS Subscription Revenue growth.

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## **\$112M** FY'23 total revenue

> 20% Q1 FY'24 SaaS Subscription Revenue<sup>(1)</sup> growth in  $CC^{(2)}$ 

> 93% of total revenue from SaaS subscriptions

> 109% Net Expansion Rate<sup>(1)</sup>

> 80%+ product gross margin

> 2021 TSX IPO

Pledge 1% member







## Why we exist

Accelerate the application of A platforms in enterprises helping them deliver great experiences, profitably







## Experienced Management Team

## Taleo 🔆 ... Baan

Louis Tetu Chairman and CEO

## 

**Brandon Nussey** CFO and Corportate Secretary

A the state



**Laurent Simoneau** Founder, President, and CTO

**Richard Tessier** Co-Founder and SVP, Products

Marc Sanfaçon Co-Founder and SVP, Technology

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## We believe that what people expect has changed for good

## "Just for me" interactions

People context – not content-centric **Conversational** – **answers, not only links** 

Intent-driven – learning from every interaction to serve the next

## Prescriptive experiences

## Coherent journeys

Unified – not channel-specific – stitched journey intelligence



Only data and Al can optimize the personalization and profitability challenge at scale

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## 



## Very large and diversified audience

- Thousands to millions of users
- Large or global audience
- Personal experience expectations

## High volume and variety of content or products

- Millions of documents
- Many sources of content
- Hundreds of thousands of of products







## We believe 2023 will be the inflection point of the Al imperative for businesses.

## Democratization of the Alparadigm

**ChatGPT broad adoption impact** 

## New consumer expectations

**Conversational experiences** 

## Competitive pressures

Win with AI, or compete against AI



## Digital experience modernization





2005

COVEO<sup>™</sup>

## ChatGPT changes digital experience expectations

Google	what's better for a family with kids under 3 and a dog, bryce canyon or $ imes$	🌷 👩 Q				
	Shopping Images Videos News Maps Be	ooks Flights	Finance			
	Generative AI is experimental					
	Both Bryce Canyon and Arches National Parks are family-friendly. A both parks prohibit dogs on unpaved trails, Bryce Canyon has two p that allow dogs.		EVERY KID OUTDOORS	ruhes billion Dars Bryse Chinyon National Park		
	Bryce Canyon has distinctive features like hoodoos, natural bridges waterfalls. At the visitor center's interactive exhibits, children can le the geology, wildlife, and people of the area. You can bring your do	Kids & Youth - Bryce Canyon National Park	Arches National Park vs Bryce			
	paved sections of both the Rim Trail and the Shared Use Path, both are also stroller-friendly.	of which	🕼 National	🍓 Sampling		
	At Arches, children may enjoy the rock formations, and some say that Arches has more variety than Bryce Canyon. Pets aren't allowed on any trails, though they are allowed at campgrounds, pullouts, roads, and parking lots. Both parks offer guided tours, ranger-led programs, picnic areas, and restrooms, and both parks require pets to be leashed.					
	→ Ask a follow up → How long to spend at Bryce Canyon with kids? → H	low many days do y	/ou need i			
	<ul> <li>Action Tour Guide https://actiontourguide.com &gt; 2022/02/17 &gt; which-is-b</li> <li>Action Tour Guide</li> <li>Feb 17, 2022 — Arches only allow dogs at campgrounds, parking lots, and along established roads, making it a lot harder to experience the park with your dog.</li> </ul>		†	Einstein GPT he Al future f ntegrating wi NARC BENIOFF, CEO		
	S The MOM Trotter https://themomtrotter.com > bryce-canyon-national-pa					
	A Guide To Planning A Trip To Bryce Canyon National					



is another way we are opening the door to or all our customers, and we'll be h OpenAl at launch. 🈏

**OF SALESFORCE** 

SAP, ServiceNow, Zendesk, IBM, Gainsight, Adobe, ... also investing









# GenAl is not a separate [siloed] interaction channel

Q

*hint:* **search** *is not going away...* 

*hint: it's the same data, same user, same context...* 





🏷 coveo™

## The 9 challenges of bringing GPT to the enterprise

- Security of generative content
- Privacy of public gen engines
- Bnterprise **proprietary** content
  - **Multiple content sources**
- **5** Currency of content
- **6** Factuality / veracity at scale
- **Coherence** of search and chat channels
- 8 Sources of truth, verifiability
- High costs of generative Al









## Relevance at scale



For more than a decade, Coveo has been deploying **AI** with leading **enterprises** globally

## **Coveo Relevance Cloud**<sup>™</sup> Al platform





coveo™

## The Coveo Re evance Cloud

#### **One single platform** Multiple use cases

Multi-tenant & cloud-native

API-first, headless, low-code

Global infrastructure SOC 2 Type II compliance HIPAA, GDPR

ISO 27001

18 years of cumulative innovation A decade in applied Al

with enterprise capabilities

Content Analytics, NLP / NLU Packaged & broad connectivity Packaged enterprise capabilities

**Unified indexing & enterprise search** 







## Enterprises need a centralized, spinal Al capability to create trusted, intelligent, and connected journeys













## We serve enterprises of all sizes

Over 650 SaaS customers<sup>(1)</sup>, including leading global brands

Expertise servicing the technology, healthcare, manufacturing, financial services, and retail verticals

We believe our solutions are well-suited to serve numerous other verticals





#### Honeywell

**Hewlett Packard** Enterprise

#### **¬**smarsh

And hundreds of other companies in the technology, healthcare, manufacturing, financial services, and retail industries

(1) As of Q4 FY'23. Note: This page of the Presentation includes the trademark "Coveo", which is protected under applicable intellectual property laws and is the property of Coveo. All other trademarks used in this page of the Presentation are the property of their respective owners.





**NetApp**<sup>®</sup>

Medallia





**UVV Health** 



**vathena**health



HEALTH

**RingCentral** 





LeeValley





📎 COVEO"



Al-powered experiences drive significant financial value and competitive advantage

?AIService

Platform

#### Increase revenue and profitability

Increase **revenue conversion** and cart sizes Increase **profitability** Increase **loyalty**, repeat purchases

## Increase customer adoption while cutting service costs

Improve self-service and **deflect cases** to **reduce service costs** Augment **agent proficiency** Bring **unified**, **contextual intelligence** to **each customer** 

#### Increase website engagement

Improve search and **visit success rate** Increase website visits and conversions

#### Increase workplace proficiency

Enable **employee self-service** Empower employees to gain **proficiency** and **do more on their own** Bring **intelligence** from across the enterprise **in the course of work** 







#### 1:1 Personalized **Customer Experience**

Personalized Search

- Personalized **Listing Pages**
- Personalized **Recommendations**
- Personalized **Product Badging**

Use AI to automatically maximize revenue and profitable growth by increasing RPV, gross margin, loyalty, and by decreasing returns, markdowns, and shipping expenses

## **Coveo Al Commerce Solution**

#### **Automated Revenue** Maximization

#### **Al Enabled** Merchandising

Use AI to take care of the tedious tasks so merchandisers focus on high value actions that dramatically increase profits and delight customers





## 1:1 Personalization in Commerce **Intent-Aware Ranking**

#### Session:



#### Search:

men hoodie Q

#### Filter

We found 51 results for men hoodie

Category	^	
Sweatshirts	(39)	
T-Shirts & Polo Shirts	(5)	
Jackets	(4)	
Sweaters	(3)	
Gender	^	

Stores

Search

- □ Quebec, QC (2700 Laurier)
- □ Roseville, CA (1236 Galleria)
- □ San Diego, CA (5151 Mission Center Rd)
- □ San Diego, CA (11160 Rancho Carmel)



Courtside Cleveland Cavaliers Hoo... <del>\$56.70</del> **\$51.03** 





Dri-Fit Swoosh Hoodie \$40.00 \$36.00



Bought 18 times in the last 2 days!



Dri-Fit Camo Block Hoodie \$44.00 \$39.60





Sort By Relevance -

Nike Pro Hoodie \$60.80 \$54.72



#### Session:



#### Search:

#### men hoodie Q

#### Filter

Category	^
Sweatshirts	(39)
T-Shirts & Polo Shirts	(5)
Jackets	(4)
Sweaters	(3)

🗌 Men

Gender



- □ Quebec, QC (2700 Laurier)
- □ Roseville, CA (1236 Galleria)
- □ San Diego, CA (5151 Mission Center Rd)
- □ San Diego, CA (11160 Rancho Carmel)

#### We found 51 results for men hoodie



Sweater-Knit Hoodie for Men <del>\$59.99</del> **\$54.00** 1 4 0 1 1 1





Sweater-Knit Hoodie for Men \$54.99





Garment-Dyed Sweater Hoodie for . \$54.99 \$16.97





<del>\$44.99</del> **\$19.97** 



Sort By Relevance -

Ċ.







Caleres engaged with Coveo to **transform** the experience of their portfolio of branded sites

Coveo allowed us to build a new experience for our users that make their whole journey better and easier.

#### Dan Cornwell,

Director of Ecommerce & Digital Experience

↑**25%** 

Lift in conversion rate with onsite search

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## CALERES \* 5 \*

# <text>

## 123%

Increase in conversions with Machine Learning result ranking





Al-powered search, recommendations, and personalization for best-in-class self-service and agent experiences, boosting NPS, CX, and EX while reducing costs

#### **Advanced self-service** intelligence

- Cheap self-service is worst than no self-service
- Give customers relevant answers fast, in the context of their products and issues
- Enable customers to solve issues on their own
- Cut contact center capacity and costs

#### Intelligent knowledge recommendations for agents

- Recommend relevant solutions to agents, real-time in the flow of customer interaction
- Reduced handling-time, escalations
- Uplift agent proficiency
- Productive, engaged agents save millions

## **Coveo Al Service Solution**

Industry's #1 AI platform for customer service

Easy to build, use,

#### **Connected personalized** 360° journeys

- No more siloed channels
- From in-product, to selfservice, to the contact center agent











## The **Coveo Relevance Cloud**<sup>TM</sup> Al Platform



Secure, unified, enriched large scale content index

B

**Al personalization algorithms** based on contextual data, behavioral analytics, intent detection, and more

## **Coveo is uniquely positioned, now, to solve** key GenAl challenges for enterprises

## Coveo **Relevance Generative Answering**<sup>TM</sup>

- ) Secure
- Truthful & current
- Auditable prompts &
- responses
- Dynamically grounded
- Integrated with search
- and discovery
- Largely scalable
- Cost effective

**Highly relevant** and secure content to generate your answers from



LLMs

Relevant, personalized, secure corpus of content feeds prompt engineering and grounding, from unified index, embeddings, and VectorDB

Most suitable generative and conversational technology, controlled by Al-powered relevance layer





#### Coveo Relevance Generative Answering™

Industry's most powerful platform for enterprise Al & GenAl experiences

- Secure
- Truthful & current
- Auditable prompts and responses
- Dynamically grounded
- Integrated with search and discovery
- Largely scalable
- Cost effective

Al-powered navigation and discovery, dynamic facet selection based on semantics

Relevant, personalized, Al search results – coherent with generative answers, from secure unified index

co	veo™	do
	veo	u uo

Include older components

Platform Integr Coveo is "Customer zero"

Platform Sol for our own customer service

Resource type

 $\times \operatorname{Clear} \operatorname{filter}$ 

Product Documentation (1,346)

Documentation News (10)

□ Glossary Entry (0)

Product Entitlements (3)

Services Documentation (9)

○ Event (1)

Support Articles (297)

□ Skill path (0)

+ Show more

Audience

Developer Tool



Index Content (146)

Leverage Machine Learning (41)

Manage an Organization (29)

☐ Tune Relevance (42)

#### Generated answer for you

Coveo for ServiceNow is an integrat agent proficiency, enhance custome halytics data. Its search interfaces a search page. Coveo for ServiceNow built-in search engine in your custom find the content that's the most relev become more personalized with time

To install Coveo for ServiceNow, fol 1. Install the Coveo for ServiceNow 2. Use Coveo widgets, a built-in Cov 3. Customize your built-in Coveo-po 4. Use connectors to gather all releva 5. Index content, including ServiceN Coveo Indexing Pipeline. 6. Use the query correction feature, keywords. Coveo supports this feat References: 2, 3, 4, 5 Learn more (1 Architecture | Co... Resource type: Product Documentation  $\times$ Filters: Results 1-10 of 1,346 for how can coveo we Architecture | Coveo for Serv https://docs.coveo.com/en/3183/ As illustrated in the diagram below, **Resource:** Product Documentation Coveo for ServiceNow https://docs.coveo.com/en/1479/ Get a overview of the latest Coveo f **Resource:** Product Documentation Manage Stop Word Rules | Co https://docs.coveo.com/en/3406/

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 $\mathbf{\wedge}$ 

Resource: Product Documentation

Stop words are words that are filtered

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					search query	
					conversation	<u> </u>
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ation that brings Al-powered search and recomm	endations directly in	side ServiceNow	to improve suppor	rt	Secure, truth	iful, curre
ner self-service experience, and allow administrate	ors to make informed	d decisions based	on actual usage		grounded,	verifiabl
are hosted in your Coveo organization and are di	isplayed in widgets o	or used as your bu	ilt-in Coveo-powe	red	generativ	e answer
w offers an artificial intelligence powered search	experience driven by	y your data. It not	only replaces the			
omer portal, employee intranet, etc., but also intro		9 TH				
evant to their issue. Moreover, the Coveo for Serv	iceNow search resul	Its and content red	commendations			
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, the Coveo for ServiceNow application is installed in y	Deployment guide	ServiceNow Service Workplace D	eveloper System Administrator Product Documenta	ation	Architecture Coveo for ServiceNow Architecture Indexing Process	
Solution: Service, Workplace	Customization	ServiceNow to improve support agent prof	ings Al-powered search and recommendations di iciency, enhance customer self-service experience	e, and allow	Ouerying Process	
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o for ServiceNow features Read on how Coveo for S			he content that's the most relevant to their issue. N recommendations become more personalized wit			
Solution: Service, Workplace		Coveo for ServiceNo	w Architecture			
Solution: Service, Workplace		As illustrated in the diagram below, the Cov	reo for ServiceNow application is installed in your			
Course		This framework is an open-source library that	veo-powered search page, and the <u>Coveo JavaSc</u> at you can use as an alternative or a complement to uilding Coveo-powered search interfaces to displ	o the Interface Editor in		
Coveo			You can also use it to customize your built-in Cove			
			weo organization, which hosts your index, the Co the custom search interfaces that will be displayed			
ered out from a query before it's sent to the index the	4	your built-in Coveo-powered search page.	coming from the search interfaces in your ServiceN	Now instance. You can		
Solution: Coveo Relevance Cloud		coveo also nosts the <u>usage analytics data</u> c access this data in the Coveo Administration		meteriole, FOR CBIT		
	1	ServiceNow Instance Coveo for ServiceNow				<b>N</b>











A number of customers interested in the Early Access Program

**Staggered product access** starting in Q2 FY'24

**Early adopter pricing offered** (+40% of ACV or \$150K)

Long-term pricing expected to be finalized in FY'24





## **Improving** the customer experience by increasing agent proficiency

66

Over the past five years, our implementation of Coveo has, most critically, improved our customers' support experience, contributed to an increase in engagement with our education offering, lifted our self-service rates, and contributed to an improvement in Xero's gross margin. Our goal is to continually improve. We want to provide a better customer support experience today than we did yesterday – and this technology will help us do that."

#### Nigel Piper,

Executive General Manager, Customer Experience, Xero

> Reduction in cost-to-serve while growing customer base 124%

Features 🗸 🛛 Pla

ns For small bu

untants & bookkeepers 🗸

Xero

Support

#### Accounting software to do your to-do

Don't miss this Black Friday offer. Buy Xero before November 30 and receive a \$75 Amazon gift voucher.\*

Learn what Xero can do

Buy now and get rewarded

### Increase in

subscribers

## 37%

Improvement in

average CTR

## 196%

of questions are answered by self-service help content Increase in Customer NPS



## Platform

## Powered by

Note: Case studies are examples which we believe are representative of how some of our customers have selected, deployed, and benefited from our platform and solutions, and our estimate of the associated economic benefits to our customers. These are individual experiences with our platform and solutions and not all customers may experience all of the benefits described or concur with our estimates of such benefits.

## Fortune 500 Software Company Increasing relevance

for better customer and agent experiences across service, websites, and marketplace for 9 use cases



Global Corporate

Website



Marketplace /

App Store





$\sim$	• • •
Comn	nunities



In-App Help



**Customer Support** 

Agent

Online Training

Platforms

•••
www

Help & Training

#### Marketplace / App Store

site visits year-over-year (including through organic growth)

#### **Customer Support Agent**

26%

case resolution time

customer agent tenure





Coveo"



# **Packaged Integrations** to the most popular enterprise apps



B2B B2C Retail



Self-Service Contact Centers



?:=Service

**Platform** 

Websites Workplace

A Adobe









#### consecutive Gartner quadrant reports name Coveo a leader



Coveo offers the **best level of personalization of all vendors** in their market. This requires low and episodic cost to maintain, underpinning its claim to be "The Relevance Platform."

**Coveo leads** this group in its approach in surfacing insights and platform mechanics in third-party UI environments."

Coveo's SaaS service, trials and strong developer experience help with customer adoption and present **minimal friction when** getting started."



Coveo has broad coverage across most industry verticals and is able to deliver key use cases to all of them in the areas of e-commerce, service and support, workplace and consumer-facing websites."

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**Gartner Magic Quadrant** for Insight Engines, December 2022







COVEO<sup>™</sup>

## Large and growing market opportunity Estimated TAM by Solution (in US\$ billion)

## S39BEstimated TAM<sup>(1)</sup>

Enterprise Search

(1) Coveo Solutions Inc. estimate as of December 31, 2020, representing the total potential SaaS Annualized Contract Value based on the sum of our addressable market-size estimates across Coveo's solutions. For additional details, please refer to the disclosure set forth in page 35 of our supplemented prep prospectus dated November 17, 2021, available under our profile on SEDAR at www.sedar.com. SaaS Annualized Contract Value is a key performance indicator of Coveo. Please refer to the "Definition of Key Performance Indicators" section of the Appendix for the definitions of such measures. SaaS Annualized Contract Value is a key performance indicator of Coveo.

## TAM and customer value share potential with platform capabilities













## Compounding growth vectors

#### **Grow existing** customers

- **Relevance Generative Answering**
- Upsell additional volume
- **Cross-sell new use cases**
- Redesign product portfolio & pricing for growth; upselling fee-based advanced product capabilities
- Enterprise-wide subscription agreements

#### **Grow in existing** markets

**SAP Endorsed App** partnership in Commerce New technology increasing competitive and conversion performance – Relevance Generative Answering New customers adds across all lines of business **Expand system integrator** distribution channel



- **Geographic** expansion EMEA, ANZ
- **M&A**: pursue strategic acquisition opportunities



## Financial Highlights





**COVEO**™

## Our business model

## Subscription-based revenue

• Contractually committed volumes for the entire term of the contract

## Multi-year agreements

• Predominantly 3+ year contracts with upfront annual billing

## **Enterprise customers**

• \$170K+ average ACV / customer

## Land and expand model





## Financial Highlights – Q1 FY'24 \$31M 20% 16%

Q1 FY'24 SaaS Subscription Revenue<sup>(1)</sup> Growth in  $CC^{(2)}$ (Year-over-Year)



Q1 FY'24 Current SaaS Subscription Remaining Performance Obligations<sup>(1)</sup> Growth (Year-over-Year)

- (1) SaaS Subscription Revenue, Current SaaS Subscription Remaining Performance Obligations and Net Expansion Rate are Key Performance Indicators of Coveo. Please refer to the "Definition of key performance indicators" section of the Appendix for the definitions of such measures.
- (2) SaaS Subscription Revenue growth at constant currency and total revenue growth at constant currency are non-IFRS ratios. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation tables in the Appendix for definitions of such measures and reconciliations to SaaS Subscription Revenue growth and total revenue growth, respectively.
- (3) As of Q4 FY'23.

Q1 FY'24

Total Revenue

Q1 FY'24 Total Revenue Growth in CC<sup>(2)</sup> (Year-over-Year)



Q1 FY'24 Total Revenue from SaaS Subscription



Net Expansion Rate<sup>(1)</sup> as of June 30, 2023



SaaS Subscription Customers<sup>(3)</sup>





#### **Growing** historical SaaS Subscription Revenue (in US\$ million) 19% (20% in cc\*) Quarterly SaaS Subscription Revenue Q1 FY'24 SaaS Subscription Revenue<sup>(1)</sup> \$28.5M Growth (YoY) \$27.1M \$26.4M \$25.5M \$24.0M \$23.1M \$21.2M \$17.3M \$16.3M



(1) SaaS Subscription Revenue is a Key Performance Indicator of Coveo. Please refer to the "Definition of key performance indicators" section of the Appendix for the definition of such measure. \* SaaS Subscription Revenue growth at constant currency is a non-IFRS ratio. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation tables in the Appendix for definitions of such measures and reconciliations to SaaS Subscription Revenue growth.

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Q2 FY'23 Q4 FY'23 Q1 FY'24 Q1 FY'23 Q3 FY'23




### Gross profit and operating loss

(in US\$ million)

### Gross profit and gross margin



(1) Adjusted Operating Loss is a non-IFRS financial measure. Please see the appendix for the definition of Adjusted Operating Loss and the reconciliation to its most directly comparable IFRS measure.

### Adjusted Operating loss<sup>(1)</sup>







# Q2 FY'24 and Full Year Guidance

**USD** millions

SaaS Subscription Revenue<sup>(1)</sup>

**Total Revenue** 

Adjusted Operating Loss<sup>(2)</sup>

## Coveo continues to expect to achieve positive operating cash flow in fiscal year 2025 as it executes on its growth plans while continuing to improve efficiency

These statements are forward-looking and actual results may differ materially. Coveo's guidance constitutes "financial outlook" within the meaning of applicable securities laws and is provided for the purpose of, among other things, assisting the reader in understanding Coveo's financial performance and measuring progress toward management's objectives, and the reader is cautioned that it may not be appropriate for other purposes. Please refer to the "Forward-Looking Information" section in the disclaimer of this Presentation and in our most recent annual information form and MD&A on file for information on the factors that could cause our actual results to differ materially from these forward-looking statements and a description of the assumptions thereof. Please also refer to the press release dated August 8, 2023 announcing Coveo's first quarter earnings for fiscal year 2024 available under our profile on <u>www.sedarplus.ca</u> for a list of additional assumptions and hypothesis made in connection with our financial outlook.

(1) SaaS Subscription Revenue is a Key Performance Indicator of Coveo. Please refer to the "Definition of Key Performance Indicators" section of the Appendix for the definitions of such measure. (2) Adjusted Operating Loss is a non-IFRS measure. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the "Reconciliation of Adjusted Operating Loss to Operating Loss" section in the Appendix for a definition of Adjusted Operating Loss and a reconciliation to Operating Loss.

Q2 FY'24	Full Year FY'24	
\$28.8-\$29.3	\$118.0 - \$120.0	
\$30.8 - \$31.3	\$127.0 – \$129.0	
\$1.5-\$2.5	\$11.5 – \$13.5	Expect <\$10M of cash used in operations i
		FY'24









# Thank you









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# Appendix





### **Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(in thousands of US dollars, except share and per share data, unaudited)

	Three months	ended June 30,		Three months ended
	2023	2022		2023
	\$	\$		S
Revenue				
SaaS subscription	28,535	24,003	Operating loss	(7,569)
Self-managed licenses and maintenance	-	324	Net financial revenue	(1,677)
Product revenue	28,535	24,327	Foreign exchange loss (gain)	1,004
Professional services	1,997	2,135	Loss before income tax expense (recovery)	(6,896)
Total revenue	30,532	26,462	Income tax expense (recovery)	59
			Net loss	(6,955)
Cost of revenue				
Product	5,128	4,758	Other comprehensive loss	
Professional services	1,544	1,977	Items that may be reclassified to the consolidated	
Total cost of revenue	6,672	6,735	statements of income (loss):	
Gross profit	23,860	19,727	Foreign currency differences on translation to presentation currency	3,428
			Total comprehensive loss	(3,527)
Operating expenses				
Sales and marketing	13,460	14,561	Net loss per share – Basic and diluted	(0.07)
Research and product development	9,182	9,132		
General and administrative	6,809	7,093	Weighted average number of shares outstanding - Basic	105,656,216 103
Depreciation of property and equipment	577	692	and diluted	
Amortization of intangible assets	1,006	1,161		
Depreciation of right-of-use assets	395	397		
Total operating expenses	31,429	33,036		
Operating loss	(7,569)	(13,309)		







(0.12)

103,829,091



### **Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(in thousands of US dollars, unaudited)

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

Share-based payments and related expenses

Product cost of revenue Professional services cost of revenue Sales and marketing Research and product development General and administrative

Share-based payments and related expenses

Three months e	Three months ended June 30,	
2023	2022	
\$	\$	
236	182	
163	144	
40	1,531	
1,556	1,433	
1,752	1,185	
3,747	4,475	





### **Reconciliation of Adjusted Operating Loss to Operating Loss**

(in thousands of US dollars)

### Operating loss

Share-based payments and related expenses (1)

Amortization of acquired intangible assets (2)

Acquisition-related compensation <sup>(3)</sup>

### Adjusted Operating Loss

- These expenses relate to issued stock options, restricted share units, and other awards under share-based plans to our employees and directors as well as related (1)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.
- These expenses represent the amortization of intangible assets acquired through the acquisition of Qubit Digital Ltd ("Qubit"). These costs are included in (2)amortization of intangible assets.
- These expenses relate to non-recurring acquisition-related compensation in connection with acquisitions. These costs are included in product and professional (3)services cost of revenue, and sales and marketing, research and product development, and general and administrative expenses.

"Adjusted Operating Loss" is defined as operating loss excluding share-based payment and related expenses, amortization of acquired intangible assets, acquisition-related compensation, transaction-related expenses, and other one-time or non-cash items.

Three months e	nded June 30,
2023	2022
\$	\$
(7,569)	(13,309)
3,747	4,475
1,005	1,160
-	211
(2,817)	(7,463)





### **Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures**

(in thousands of US dollars)

Total revenue Gross profit Gross margin Add: Share-based payments and related expenses Add: Acquisition-related compensation Adjusted Gross Profit Adjusted Gross Margin

Product revenue Product cost of revenue Product gross profit Product gross margin Add: Share-based payments and related expenses Add: Acquisition-related compensation Adjusted Product Gross Profit Adjusted Product Gross Margin

Professional services revenue Professional services cost of revenue Professional services gross profit Professional services gross margin Add: Share-based payments and related expenses Add: Acquisition-related compensation Adjusted Professional Services Gross Profit Adjusted Professional Services Gross Margin

"Adjusted Gross Profit", "Adjusted Product Gross Profit", and "Adjusted Professional Services Gross Profit" are respectively defined as gross profit, product gross profit, and professional services gross profit excluding share-based payment and related expenses, acquisition-related compensation, transaction-related expenses, and other one-time or non-cash items. We refer to these measures collectively as our "Adjusted Gross Profit Measures". "Adjusted Gross Margin" is defined as Adjusted Gross Profit as a percentage of total revenue. "Adjusted Product Gross Margin" is defined as Adjusted Product Gross Profit as a percentage of product revenue. "Adjusted Professional Services Gross Margin" is defined as Adjusted Professional Services Gross Profit as a percentage of professional services revenue. We refer to these measures collectively as our "Adjusted Gross Margin Measures".

Three months ended June 30,	
2023	2022
\$	\$
30,532	26,462
23,860	19,727
78%	75%
399	326
-	81
24,259	20,134
79%	76%
28,535	24,327
5,128	4,758
23,407	19,569
82%	80%
236	182
-	60
23,643	19,811
83%	81%
1,997	2,135
1,544	1,977
453	158
23%	7%
163	144
-	21
616	323
31%	15%





### **Reconciliation of Adjusted Operating Expense Measures and Adjusted Operating Expense (%) Measures**

(in thousands of US dollars)

### Sales and marketing expenses

Sales and marketing expenses (%) Less: Share-based payments and related expenses Less: Acquisition-related compensation Adjusted Sales and Marketing Expenses Adjusted Sales and Marketing Expenses (%)

Research and product development expenses Research and product development expenses (%) Less: Share-based payments and related expenses Less: Acquisition-related compensation Adjusted Research and Product Development Expenses Adjusted Research and Product Development Expenses (%)

General and administrative expenses General and administrative expenses (%) Less: Share-based payments and related expenses Less: Acquisition-related compensation Adjusted General and Administrative Expenses Adjusted General and Administrative Expenses (%)

"Adjusted Sales and Marketing Expenses", "Adjusted Research and Product Development Expenses", and "Adjusted General and Administrative Expenses" are respectively defined as sales and marketing expenses, research and product development expenses, and general and administrative expenses excluding share-based payment and related expenses, acquisition-related compensation, transaction-related expenses, and other one-time or non-cash items. We refer to these measures collectively as our "Adjusted Operating Expense Measures". "Adjusted Sales and Marketing Expenses (%)", "Adjusted Research and Product Development Expenses (%)", and "Adjusted General and Administrative Expenses (%)" are respectively defined as Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses as a percentage of total revenue. We refer to these measures collectively as our "Adjusted Operating Expense (%) Measures".

Three months ended June 30,	
2023	2022
\$	\$
13,460	14,561
44%	55%
40	1,531
-	34
13,420	12,996
44%	49%
9,182	9,132
30%	35%
1,556	1,433
-	88
7,626	7,611
25%	29%
6,809	7,093
22%	27%
1,752	1,185
-	8
5,057	5,900
17%	22%







### **Reconciliation of Constant Currency Measures and Ratios**

(in thousands of US dollars)

SaaS Subscription Revenue and total revenue, as reported Foreign exchange impact on revenue

SaaS Subscription Revenue and total revenue at constant currency

Revenue growth Revenue growth at constant currency

(1) SaaS Subscription Revenue is a Key Performance Indicator of Coveo. Please refer to the "Definition of Key Performance Indicators" section of the Appendix for the definitions of such measure.

In this table, SaaS Subscription Revenue<sup>(1)</sup> and total revenue in currencies other than US dollars are converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

"SaaS Subscription Revenue at constant currency" means SaaS Subscription Revenue of the Company as presented in our financial statements in accordance with IFRS, adjusted for the impact of foreign currency exchange fluctuations. SaaS Subscription Revenue in currencies other than US dollars is converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

"SaaS Subscription Revenue growth at constant currency" means the year-over-year change in SaaS Subscription Revenue at constant currency divided by the reported SaaS Subscription Revenue in the prior period.

"Total revenue at constant currency" means total revenue of the Company as presented in our financial statements in accordance with IFRS, adjusted for the impact of foreign currency exchange fluctuations. Total revenue in currencies other that US dollars is converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

'Total revenue growth at constant currency" means the year-over-year change in total revenue at constant currency divided by the reported total revenue in the prior period.

We believe the Constant Currency Measures and Ratios provide helpful supplemental indicators on comparable SaaS Subscription Revenue and total revenue growth by removing the effect of changes in foreign currency exchange rates year-over-year to aid investors better understand our performance.

SaaS Subscription Revenue	Total revenue
\$	\$
28,535	30,532
178	186
28,713	30,718
19%	15%
20%	16%













### **Condensed Interim Consolidated Statements** of Financial Position

(in thousands of US dollars, unaudited)

### Assets

### Current assets

Cash and cash equivalents Trade and other receivables Refundable tax credits Prepaid expenses

### Non-current assets

Contract acquisition costs Property and equipment Intangible assets Right-of-use assets Deferred tax assets Goodwill

Total assets

### Liabilities

### **Current liabilities**

Trade payable and accrued liabilities Current portion of deferred revenue Current portion of lease obligations Accrued liability for shares to be repurchased under substantial issu

### Non-current liabilities

Lease obligations

Deferred tax liabilities

### Total liabilities

Shareholders' equity

Share capital Contributed surplus

Deficit

Accumulated other comprehensive loss

Total shareholders' equity

Total liabilities and shareholders' equity

	As of June 30, 2023	As of March 31, 2023
	\$	\$
	201,169	198,452
	26,419	24,233
	9,545	7,142
	6,799	8,707
	243,932	238,534
	11,063	11,148
	6,588	6,846
	14,409	15,107
	7,408	7,645
	3,662	3,896
	26,062	25,642
	313,124	308,818
	21,107	21,435
	60,000	55,260
	2,082	1,929
bid	30,220	
	113,409	78,624
	,	
	8,605	8,940
	2,599	2,721
	124,613	90,285
	869,749	868,409
	27,550	25,949
		(631,988)
	(668,379)	(001,000)
	(668,379) (40,409)	(43,837)





### **Condensed Interim Consolidated Statements of Cash Flows**

(in thousands of US dollars, unaudited)

### Cash flows from operating activities

Net loss Items not affecting cash Amortization of contract acquisition costs Depreciation of property and equipment Amortization of intangible assets

Depreciation of right-of-use assets

Share-based payments

Interest on lease obligations

Variation of deferred tax assets and liabilities

Unrealized foreign exchange loss (gain)

Changes in non-cash working capital items

### Cash flows used in investing activities

Additions to property and equipment Additions to intangible assets

### Cash flows used in financing activities

Proceeds from exercise of stock options Tax withholding for net share settlement Payments on lease obligations Substantial issuer bid transaction costs

Effect of foreign exchange rate changes on cash and cash equivalents

### Increase (decrease) in cash and cash equivalents during the year

Cash and cash equivalents – beginning of year

### Cash and cash equivalents – end of year

Cash Cash equivalents

ths ended June 30,	Three mon
2022	2023
\$	S
(12,519)	(6,955)
1,077	1,159
692	577
1,161	1,006
397	395
5,796	3,454
170	141
83	41
(500)	922
5,048	268
1,405	1,008
(527) (5) <b>(532</b> )	(154) - (154)
291	325
-	(372)
(633)	(552)
-	(48)
(342)	(647)
(5,935)	2,510
(5,404)	2,717
223,072	198,452
217,668	201,169
	•
45 000	31,819
43,000	
45,088 172,580	169,350





## **Definition of Key Performance Indicators**

"SaaS Subscription Revenue" means Coveo's SaaS subscription revenue, as presented in its financial statements in accordance with IFRS.

"Current SaaS Subscription Remaining Performance Obligations" is a forward-looking indicator of anticipated future revenue under contract that has not yet been recognized as revenue but that is expected to be recognized over the next 12 months, 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 (as defined below) attributable to that cohort at the end of the current period selected, by the SaaS Annualized Contract Value 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:

- Excludes any SaaS Annualized Contract Value from new customers added during the 12 months preceding the end of the period selected;
- Includes incremental SaaS Annualized Contract Value made to the cohort over the 12 months preceding the end of the period selected; and 11.
- III.

"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.

Is net of the SaaS Annualized Contract Value from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected





