



# Investor Presentation

February 2024



# 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 most recent Annual Information Form, as well as in our most recent consolidated financial statements, together with the notes thereto and, where applicable, the auditor’s report thereon (collectively, the “**Financial Statements**”), as well as the management’s discussion and analysis (the “**MD&A**”) in respect thereof. Copies of all such documents are available under Coveo’s SEDAR+ profile on [www.sedarplus.ca](http://www.sedarplus.ca). 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.

## Market, Industry, Customer and Other Data

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, in each case, 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 financial outlook of Coveo (collectively, “**forward-looking information**”). Please refer to the “Forward-Looking Information” section of our latest earnings press release and our latest MD&A, both available under Coveo’s SEDAR+ profile on [www.sedarplus.ca](http://www.sedarplus.ca), 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 “Definition of Non-IFRS Measures and Ratios” section of the Appendix for details of the composition of Adjusted Operating Loss, Adjusted Gross Profit, Adjusted Product Gross Profit, Adjusted Professional Services Gross Profit, Adjusted Gross Profit (%), Adjusted Product Gross Profit (%), Adjusted Professional Services Gross Profit (%), 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 (%) and Adjusted General and Administrative Expenses presented by Coveo, as well as the reconciliations of such measures to the most directly comparable IFRS measure, where applicable.

## Key Performance Indicators

This Presentation refers to SaaS Subscription Revenue, Current Remaining Performance Obligations, SaaS Annualized Contract Value, and Net Expansion Rate (including such measure excluding legacy Qubit-related attrition), 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.



## Our Pledge 1%

Our commitment is to donate 1% of our time, technology, profits, and **equity** to help democratize access to knowledge and education across the world

After a decade of enriching our **AI Platform** with forward-thinking global enterprises, we know what it takes to gain a **trusted AI-Experience Advantage**

**675+**

**Enterprise Customers<sup>(1)</sup>**

**~700**

**Employees, ~40% in R&D**

**10+ years**

**AI Platform Deployments**  
in digital experiences



## One single AI platform

**Websites | Commerce | Service | Workplace**

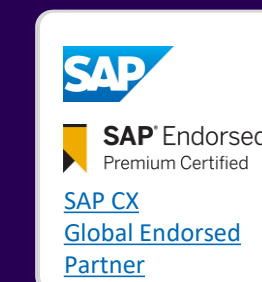
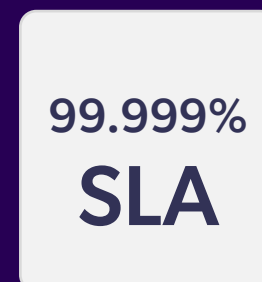
**Cumulative applied AI knowledge**  
compounded from largest enterprise base

Semantic search

AI recommendations

GenAI answering

Unified personalization

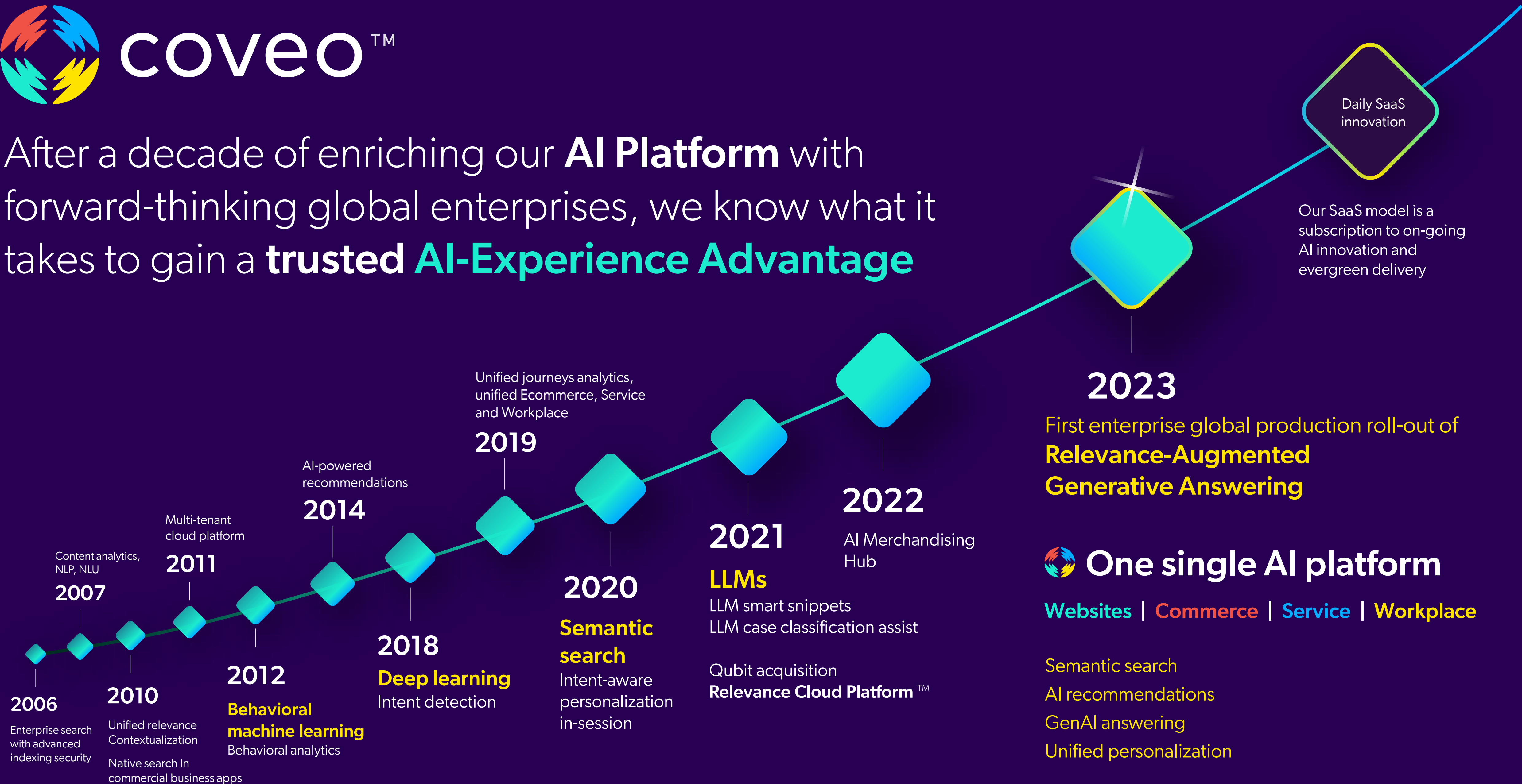


(1) As of September 30, 2023.





After a decade of enriching our **AI Platform** with forward-thinking global enterprises, we know what it takes to gain a **trusted AI-Experience Advantage**



 **One single AI platform**  
**Websites | Commerce | Service | Workplace**

Semantic search  
AI recommendations  
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Unified personalization

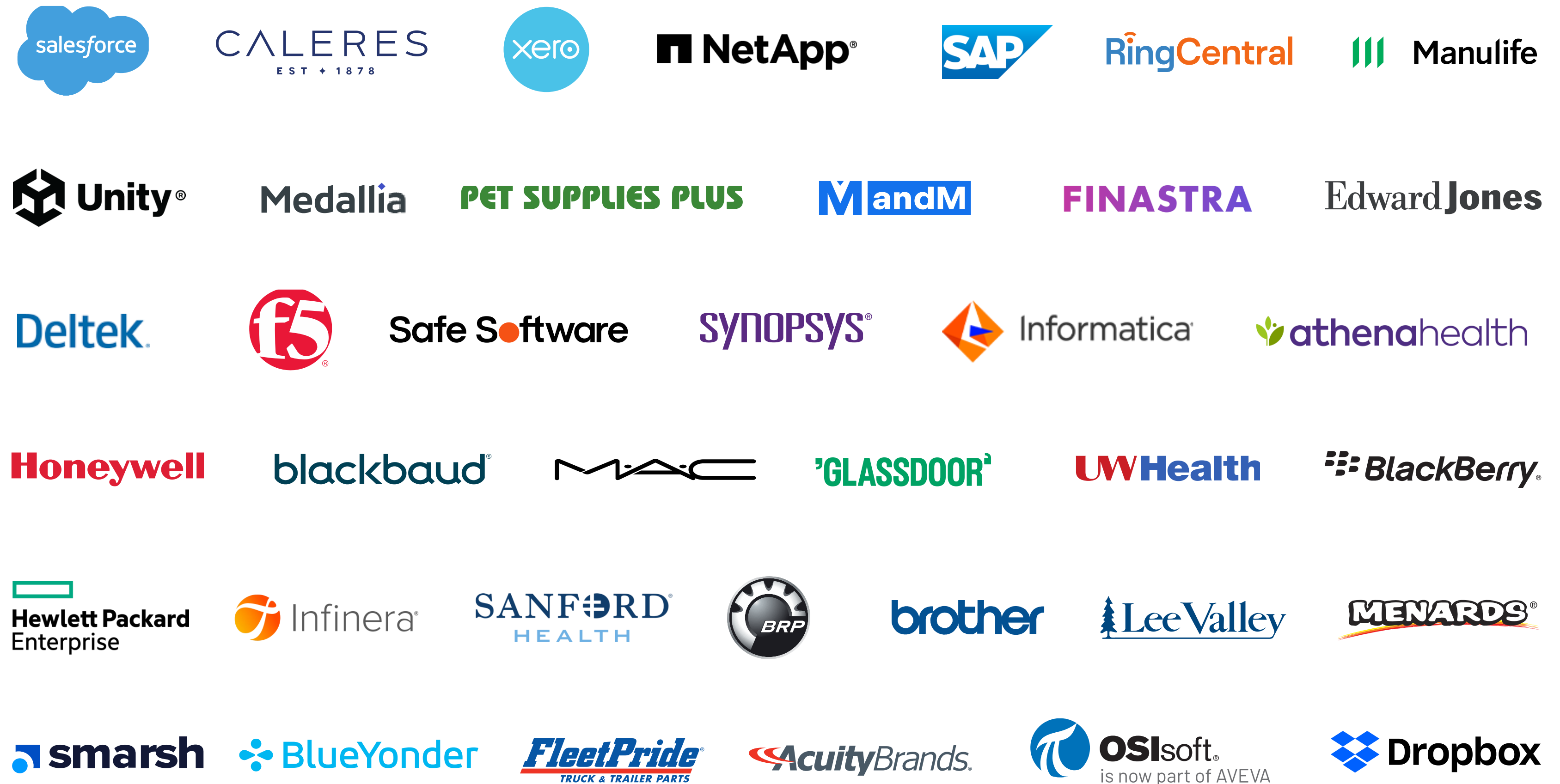


# We serve enterprises of all sizes

675+ enterprise 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

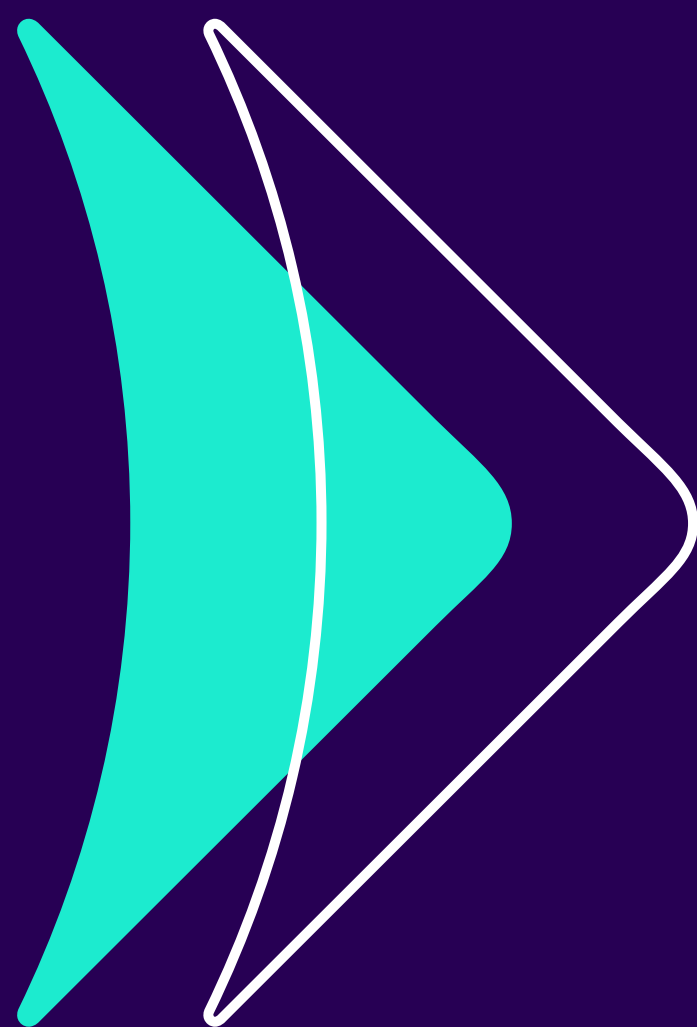


And hundreds of other companies in the technology, healthcare, manufacturing, financial services, and retail industries

(1) As of September 30, 2023.

# Our solution areas and use cases





# Experience is today's competitive front line

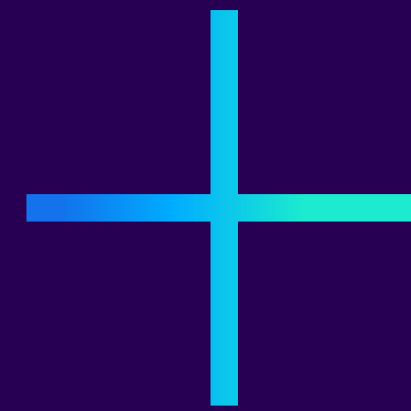
A make or break for every business



# The **winning** experiences are...



**Individualized**, relevant  
**Prescriptive**, effortless  
**Connected**, unified



**Valuable**, profitable  
**Trusted**, secure  
**Scalable**



... and **AI-experience winners**  
are sprinting ahead and **outperform**

CLV Driver

**81%**

**buy again** after a highly positive  
commerce or service experience

Source: [Zendesk](#)

Valuation Multiples

**147%**

**higher EPS** for companies with a  
winning employee experience

Source: [ZipDo](#)

Brand of Choice

**65%**

**experience** is the driver  
of brand loyalty

Source: [PwC](#)

# What is a trusted **AI-Experience Advantage?**

from  
**persona** ➤ **person**  
to

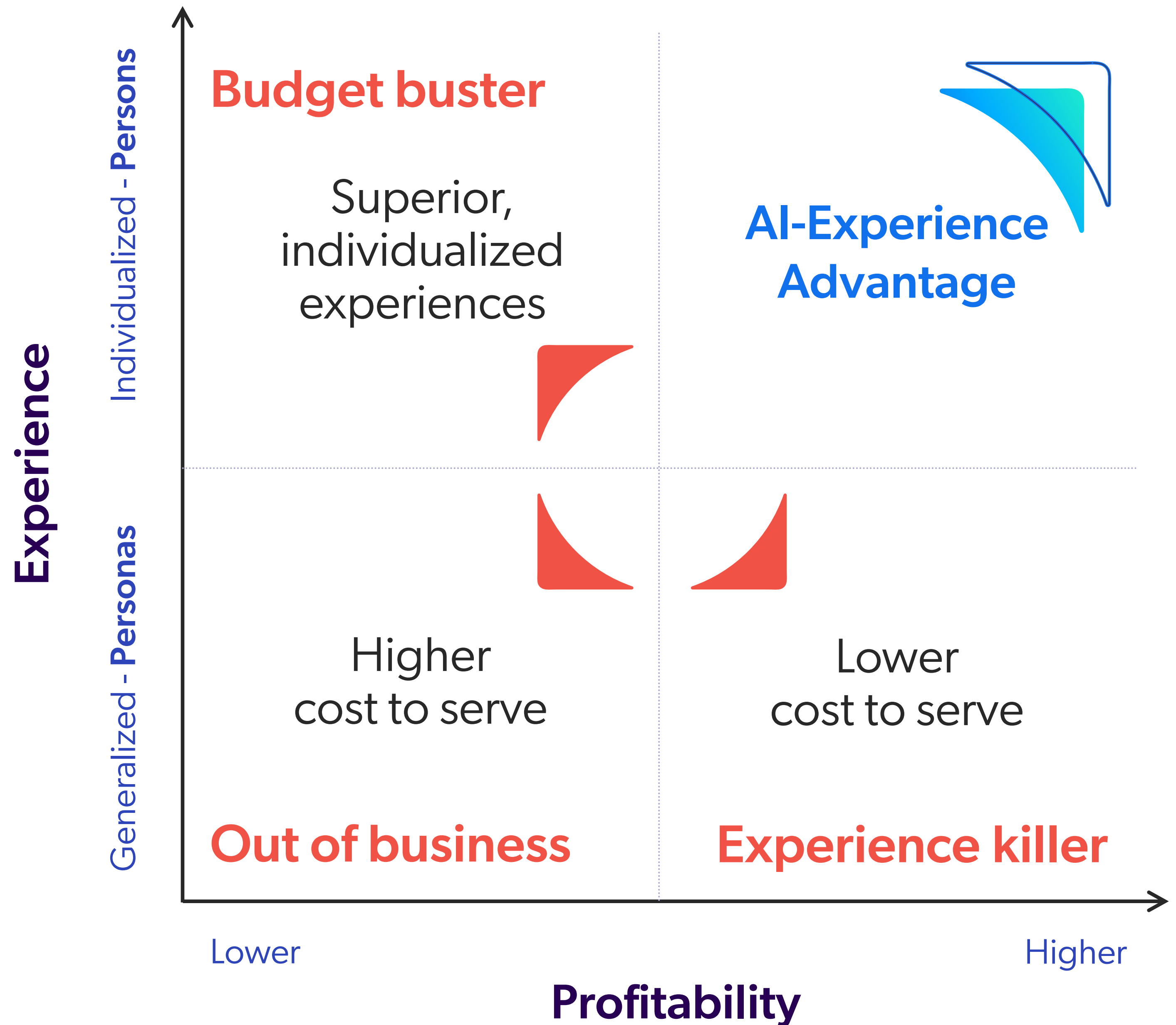
Curate **individualized, trusted**  
and **connected experiences** across  
millions of unique customers  
and billions of moments,  
to drive superior **business outcomes**.

The experiences are:

**Individualized, Prescriptive, Connected, Profitable**

How can  
you deliver  
distinctive experiences,  
**without breaking  
the bank?**

## The No-Win Trade-Off





**Only AI** can solve  
**individualization**  
and **business outcomes**  
simultaneously,  
at scale



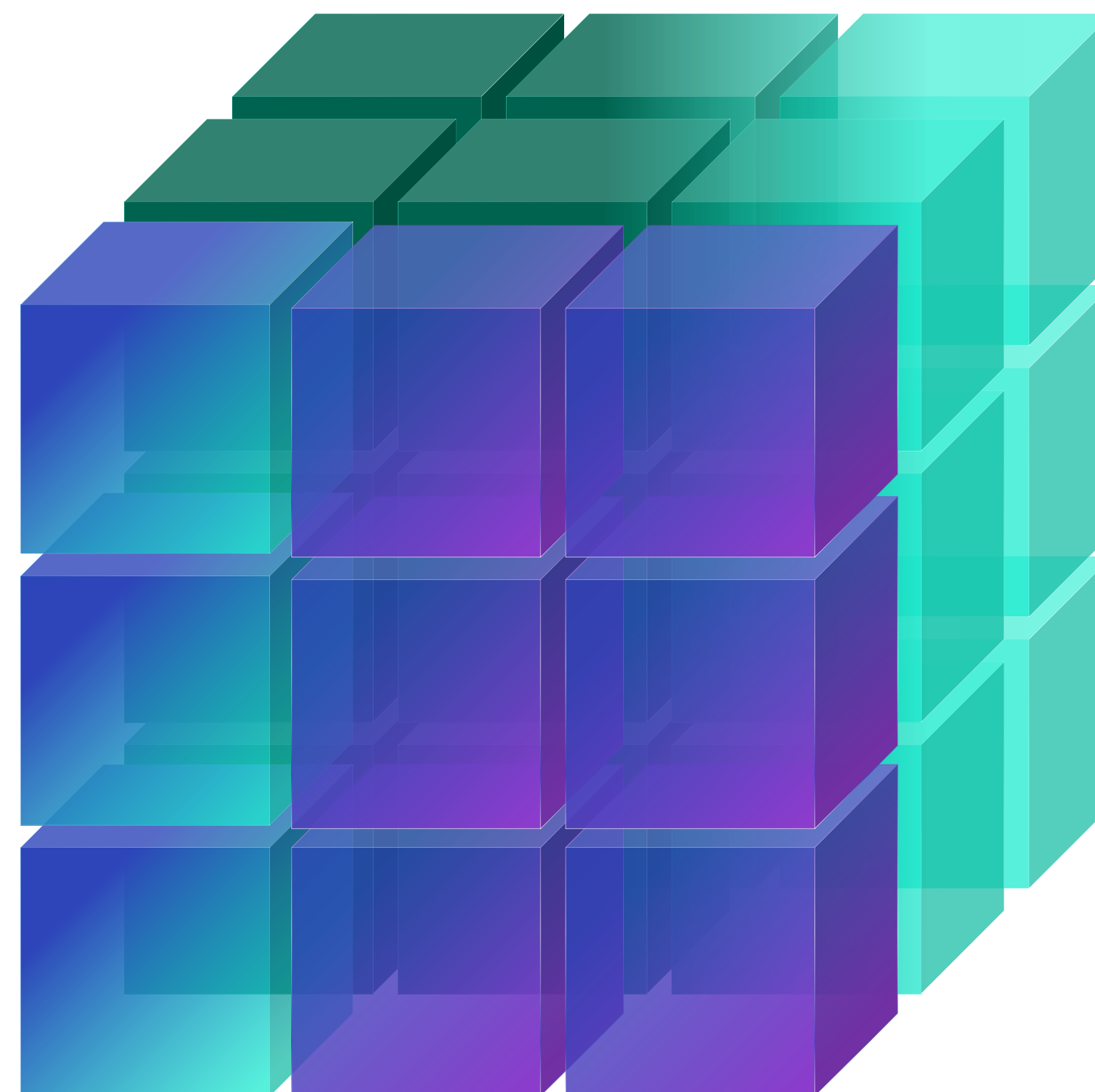
## Content

High **volume** and **variety**  
of content or products

- Multiple sources of content data sources
  - Millions of documents
- Hundreds of thousands of products permutations

## Money

Business outcomes and guardrails



- Multiple revenue, cost and margin metrics
- Dozens of operational KPIs
- Security, compliance and privacy

## Persons

Very **large** and  
**diversified** audience

- Thousands to millions of users
- Large or global audience
- Multiple digital engagement channels and apps
- Personal experience expectations

We strongly believe that...

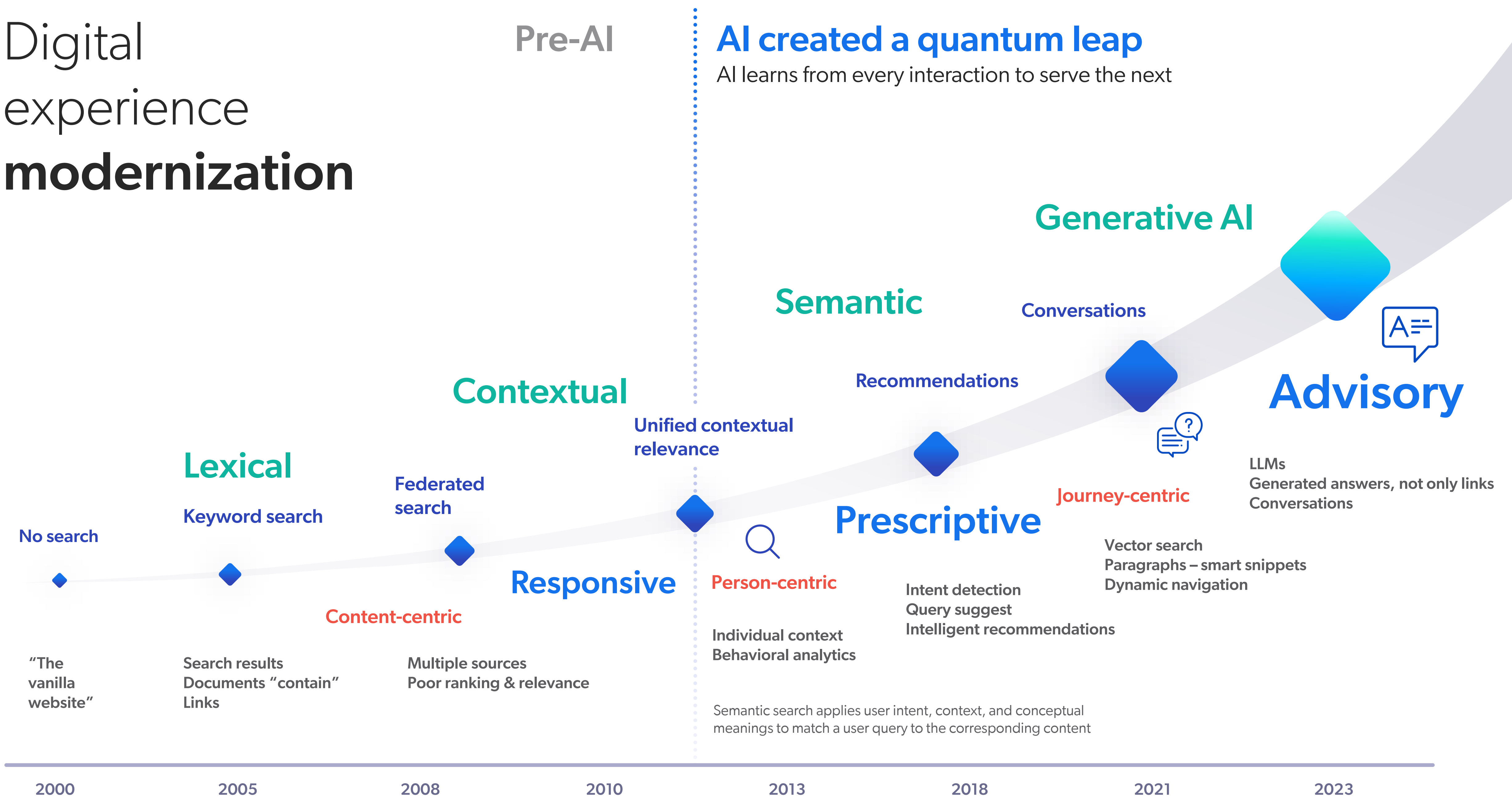
# The Future is **Business-to-Person**

Enterprises need a **spinal AI ability** to power **individualized, trusted,** and **connected experiences** that drive **business outcomes**

...powered by **AI search** and **generative experiences** within each CX and EX interaction



# Digital experience modernization





# The **AI-Experience**

a new, more powerful,  
**unified** digital engagement  
paradigm, powered by  
**semantic search** and  
**generative experiences**

Search query...



Ask a question...



## Manage your intent here...

We believe the worlds of intelligent **search**, **discovery**,  
**recommendations**, generative **answering**, **conversations**,  
**chats**, and **personalization** ...all converge



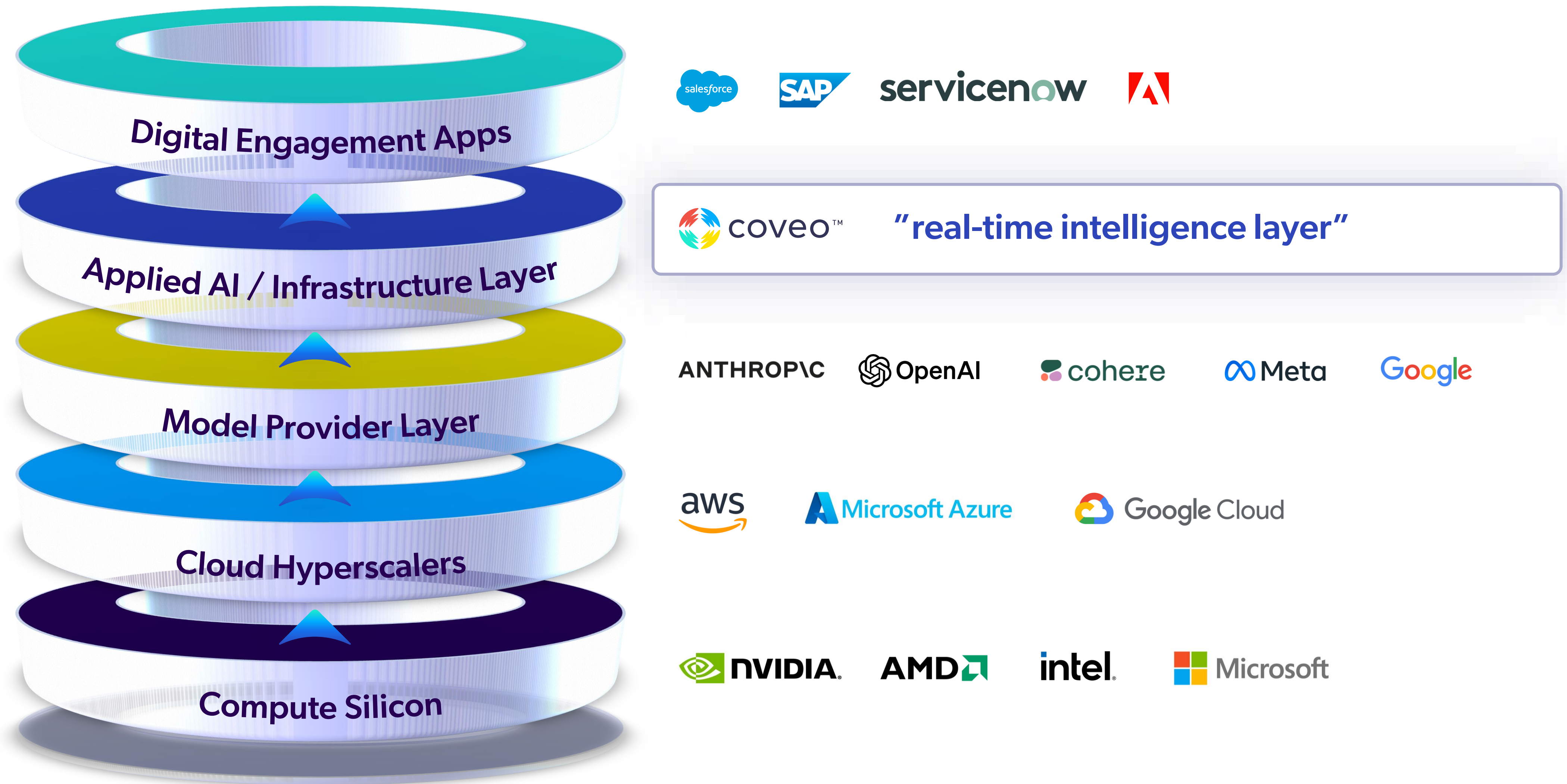
Navigate content,  
disambiguate results  
and recommendations...



Start a chat...



# Where Coveo fits in the **AI Stack** supporting **Digital Engagement**





# 5 CIO Headaches

when getting  
GenAI enterprise-  
ready in CX / EX

It's all about  
**trust** for both  
users and the  
business

## Security

**Permissions**, privacy, cybersecurity  
**Proprietary** content vs. public LLMs,  
retention governance and IP

## Accuracy

**Currency** of generative content  
**Factuality**, veracity of answers  
**Content lineage**,  
traceability to **sources of truth**

## Experience

**Relevancy** for users  
**Unified "intent" and engagement**  
experience combining search,  
answering, and disambiguation

## Costs

GenAI experiences can be 100x  
more expensive if not engineered right  
**Business case & ROI**  
Locking-in with unique GenAI providers

## Content

**Multiple sources, volume**, and  
**variety of content** increases the  
**value of GenAI** exponentially  
Flexibility to evolve data landscape  
Ethical use of first party data only











## One single Platform

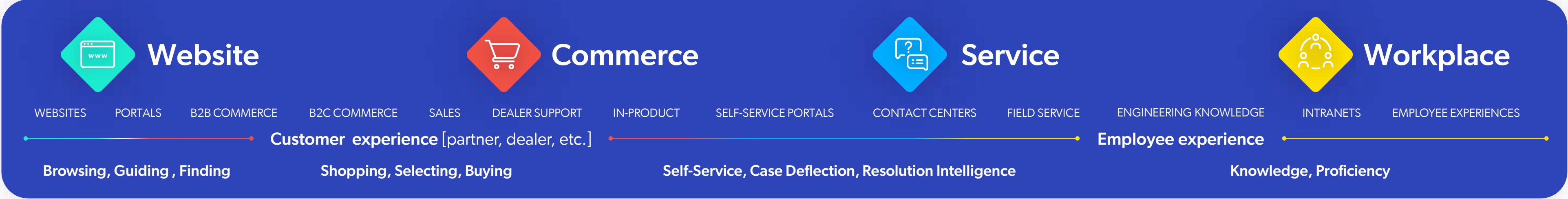
to power **individualized**, **trusted** and **connected relevance** across every customer and employee interaction, driving **superior experiences** and **business outcomes**

-  Semantic search
-  AI recommendations
-  GenAI answering
-  Unified personalization



Engagement Apps layer

Digital Journeys



Relevance layer



Spinal enterprise ability to deliver **individualized, trusted** interactions and **connected experiences** that drive **business outcomes**

# Composable **AI Search** & **Generative Experience** platform

Spinal enterprise ability to **unify structured and unstructured data, securely** – constantly **adapting to the data landscape**



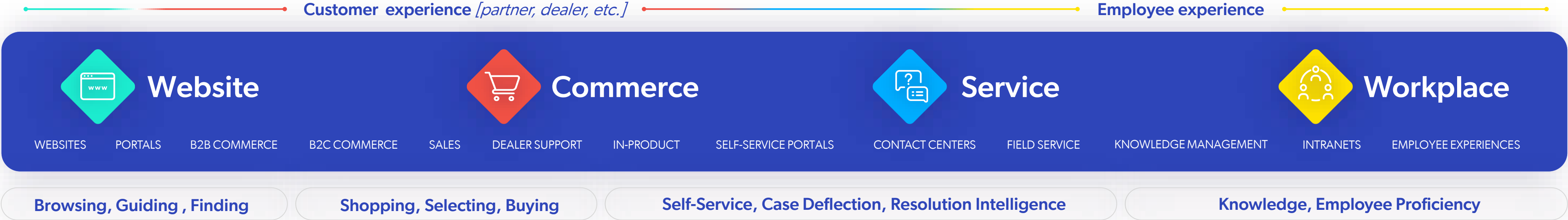
Content & data layer





Engagement Apps layer

Digital Journeys

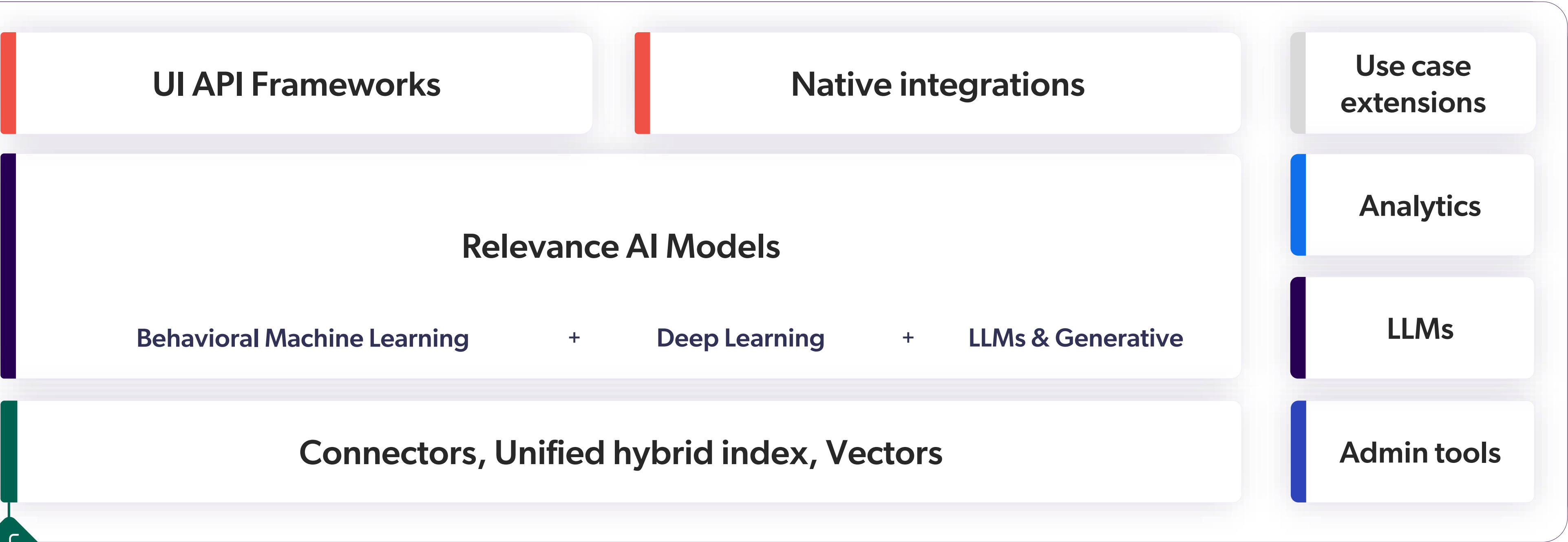


Relevance layer

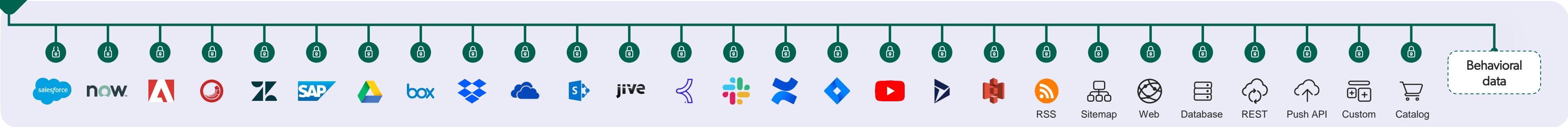
Semantic Search + AI Recommendations + Generative Answering + Unified Personalization

**Coveo**  
**Platform**<sup>TM</sup>

Composable **AI Search & Generative Experience**



Content & data layer



# Increase revenue and profitability

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

10%

increase in revenue per visit

25%

increase in conversion rate through search

10%

increase in average order value



Commerce



Service

# Increase customer satisfaction while cutting service costs

- › Improve self-service and **deflect cases** to reduce service costs
- › Augment **agent proficiency**
- › Bring **intelligence** from across the enterprise to each customer

55%

increase in average self-service success rate

25%

decrease in average case resolution time

80%

increase in average case deflection

# Increase website engagement

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

50%

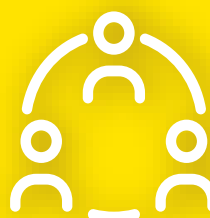
increase in website conversion rate

25%

increase in average time spent on site



Website



Workplace

# 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

45%

decrease in time spent search

70%

increase in average click-through rate (engagement)

80%

decrease in average content gap score



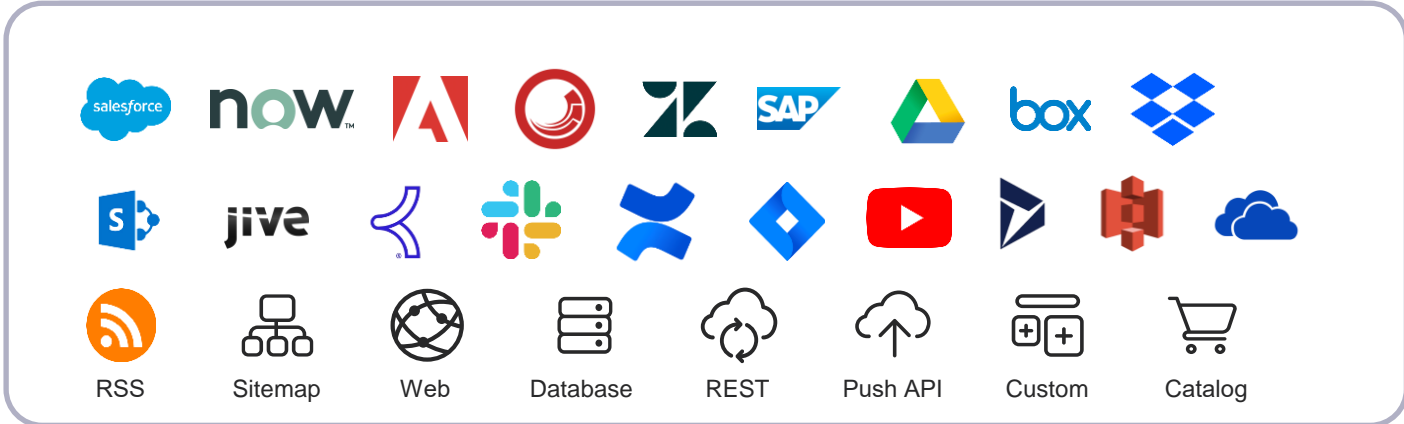
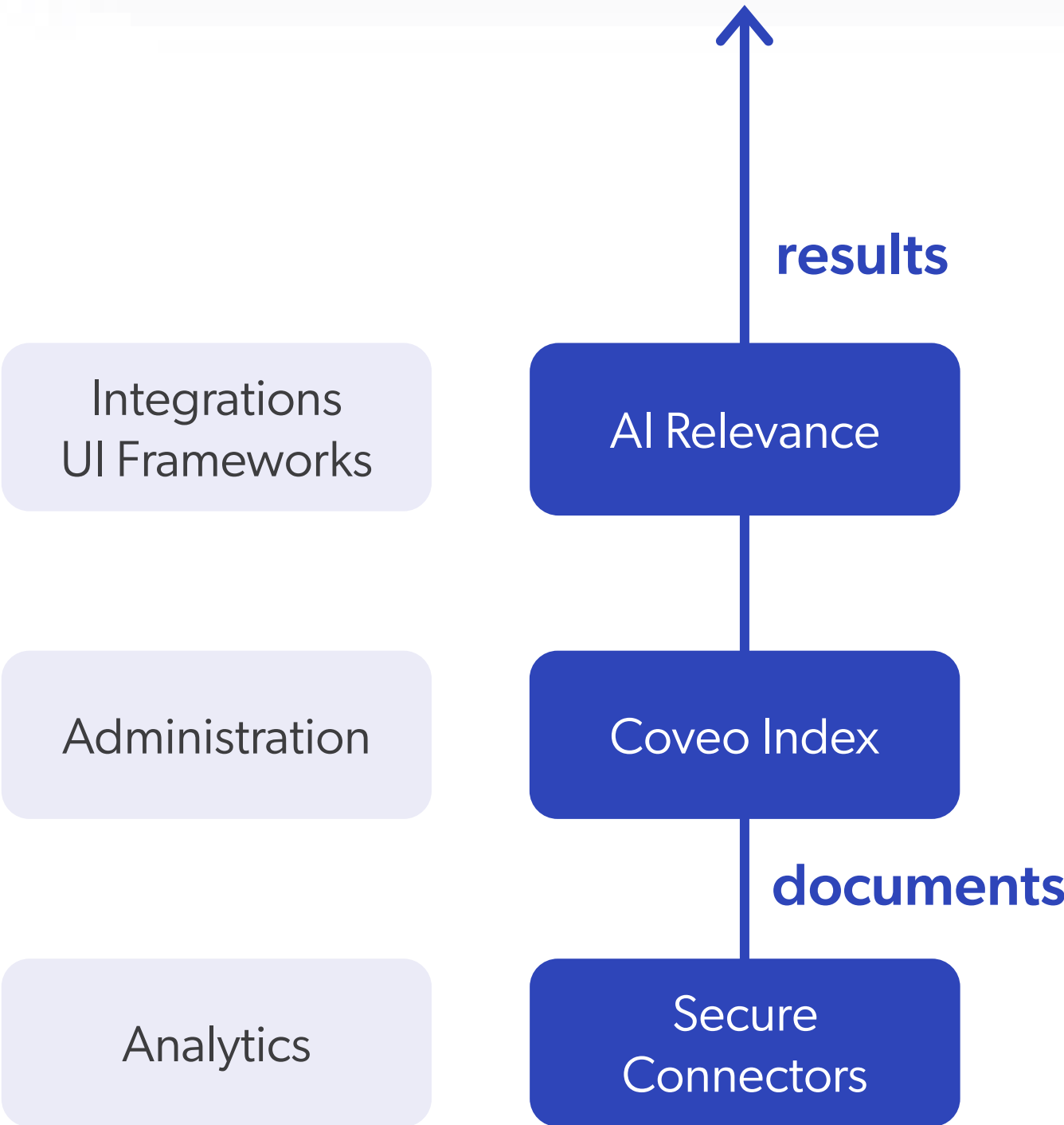
Coveo Platform™

Composable AI Search & Generative Experience platform

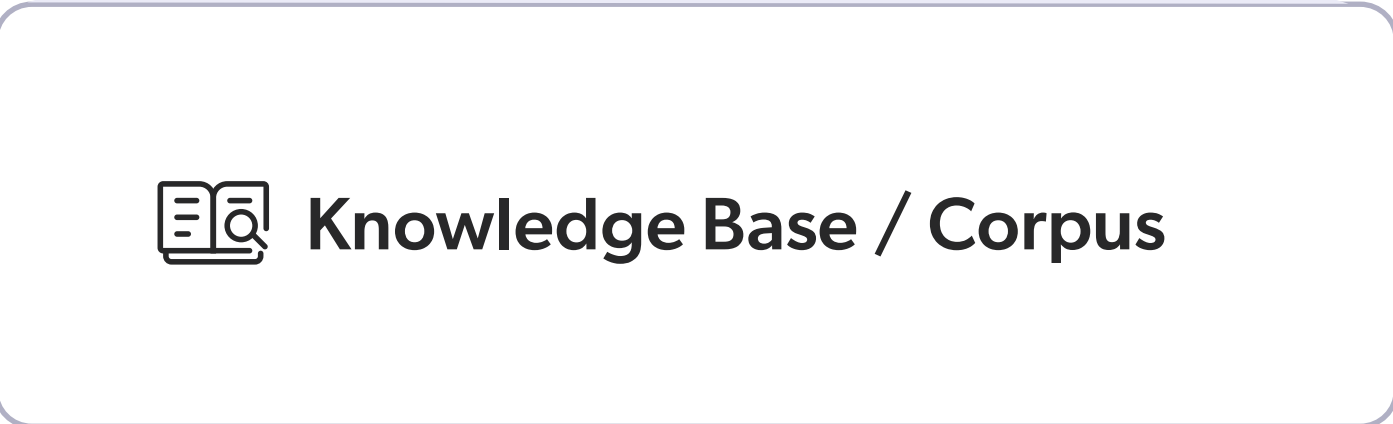
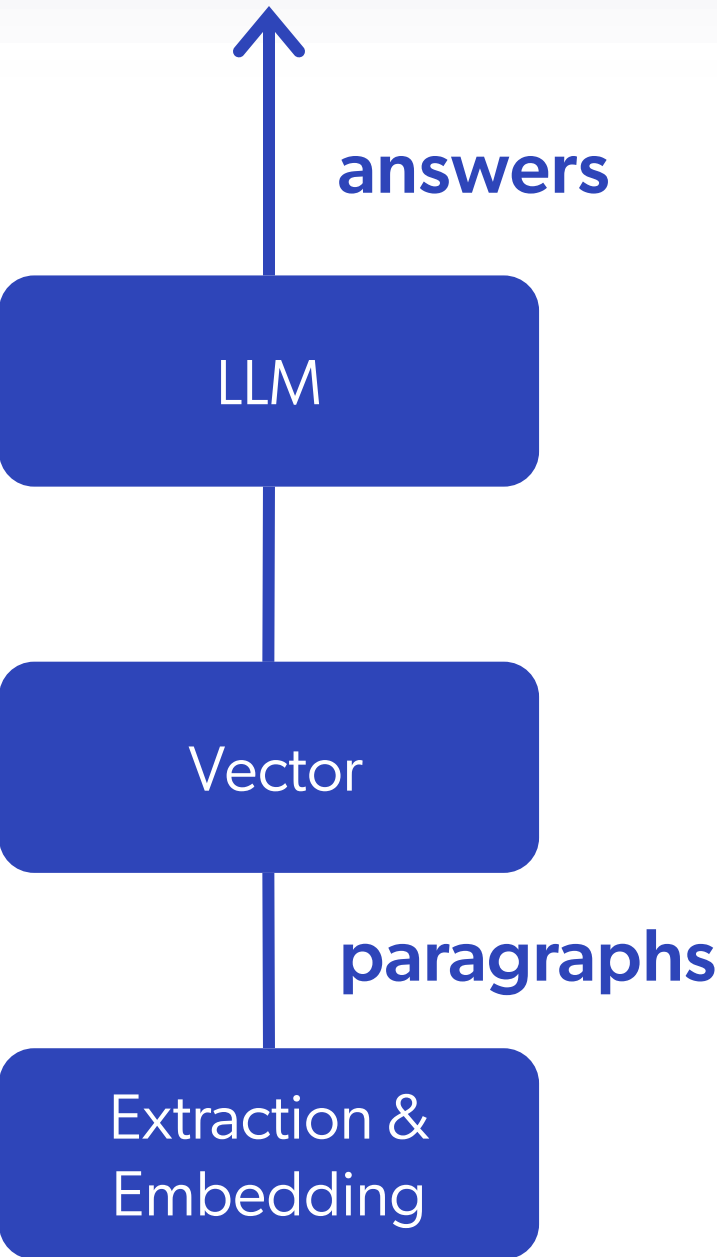
Note: Management estimates based on results achieved in trials or deployments, and based on feedback from our customers and/or data collected by us. These estimates are limited by the scaling factors. Extrapolating these results from the specific project scope of each trial or deployment. These estimates may be based on specific projects within an organization and the results might not scale across the customers enterprise. These estimates are based on (i) for commerce, data points across 4 to 6 customers, (ii) for service, data points across 4 to 21 customers, (iii) for websites, data points across 3 to 4 customers, and (iv) for workplace, data points across 4 to 10 customers; and in each case the data and feedback were collected from customer engagements occurring in the years 2014 to 2021.



# Search (Coveo)



# Question Answering (LLM)



### Major Issues

- Different intent boxes
- Duplicate content / data infrastructure
- Separate admin, security, analytics
- **Different set of facts**

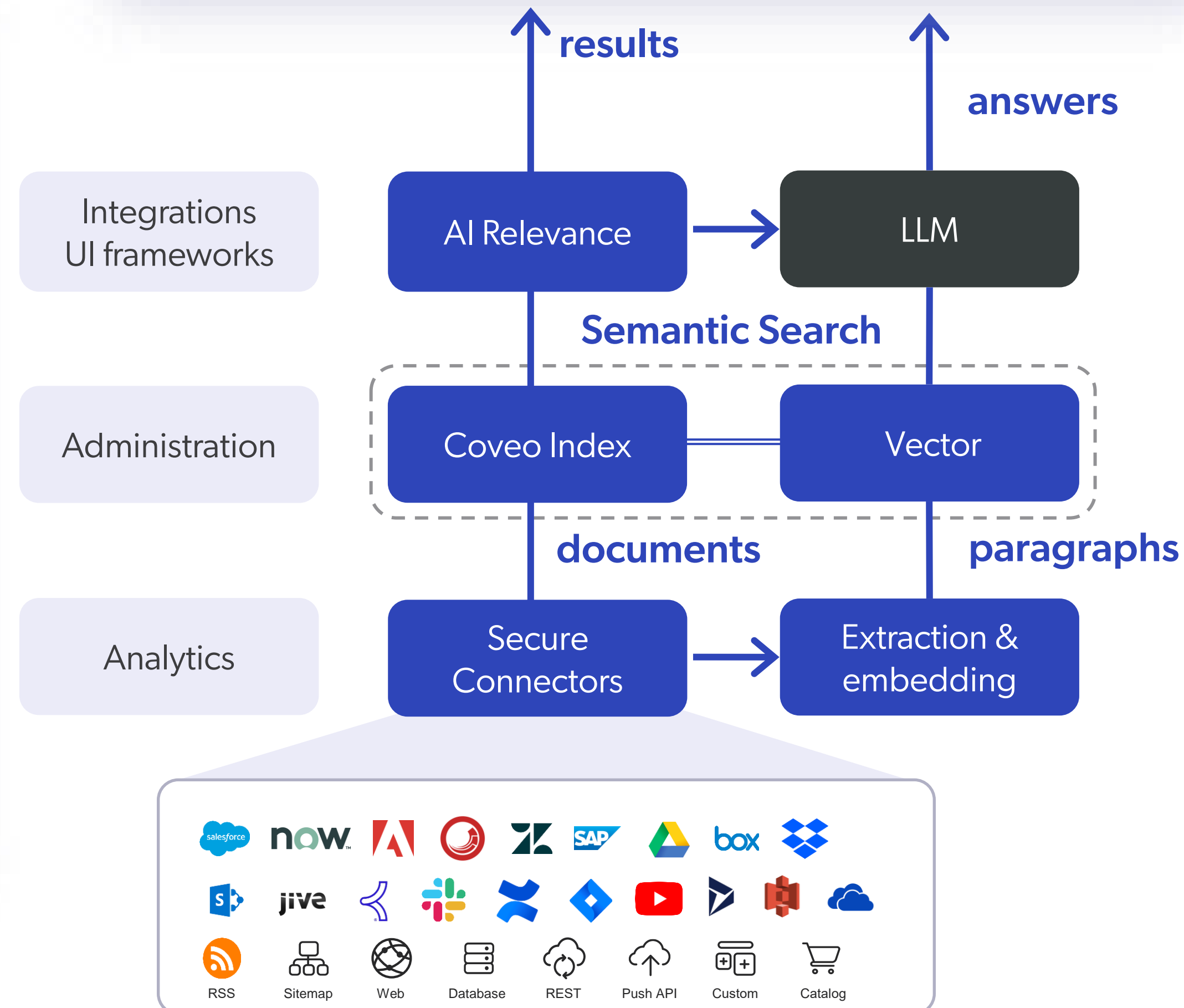
# Integrated AI Experience: Search & Question Answering

How do I add a new bank account feed for a supplier in Norway?



## Advantages: Backend

- › Depth, breadth of content
- › Security & governance of index
- › Freshness of content
- › Administration, analytics
- › Largely scalable
- › Cost effective



## Advantages: Results & Relevance

### Results & Relevance

- › Generated answers from the most relevant paragraphs [RAG, grounding, prompt engineering from secure enriched unified index and relevance AI]
- › Unified [intent] box for all queries and questions
- › Truthful, current, verifiable lineage
- › Personalization
- › Protection against hallucination
- › "BYO LLM" flexibility to swap generic vs domain-specific tuned models

# Results for "how do I update subscription payment details"



Customer type		^
<input type="checkbox"/>	Accountants & bookkeepers	(303)
<input type="checkbox"/>	Small businesses	(752)
Product		^
<input type="checkbox"/>	Xero	(748)
<input type="checkbox"/>	Xero Go	(1)
<input type="checkbox"/>	Practice Manager	(133)
<input type="checkbox"/>	Xero HQ	(64)
<input type="checkbox"/>	Xero Tax	(2)
<input type="checkbox"/>	Workpapers	(23)

Generated answer for you - Beta



To update subscription payment details in Xero, follow these step-by-step instructions:

1. Log in to Xero in a web browser.
2. Click on the organization name and select "My Xero".
3. Go to the "Billing accounts" tab.
4. Click on the menu icon next to the billing account you want to update.
5. Select "Edit payment details".
6. Choose "Credit Card" as the payment method.
7. Enter the details of your credit or debit card.
8. Click "Confirm" to save the changes.

Please note that these instructions are specifically for updating subscription payment details in Xero.  
References: 1, 3

Learn more

1 Change your sub...

2 Change your sub...

3 Purchase a Xero ...

-21%

Cases per 1K searches

-45%

Time on Search page

+6%

Session duration

Sort results

Help article

Problems updating your

Help article

Change your subscription





# Improving the customer experience by increasing agent proficiency



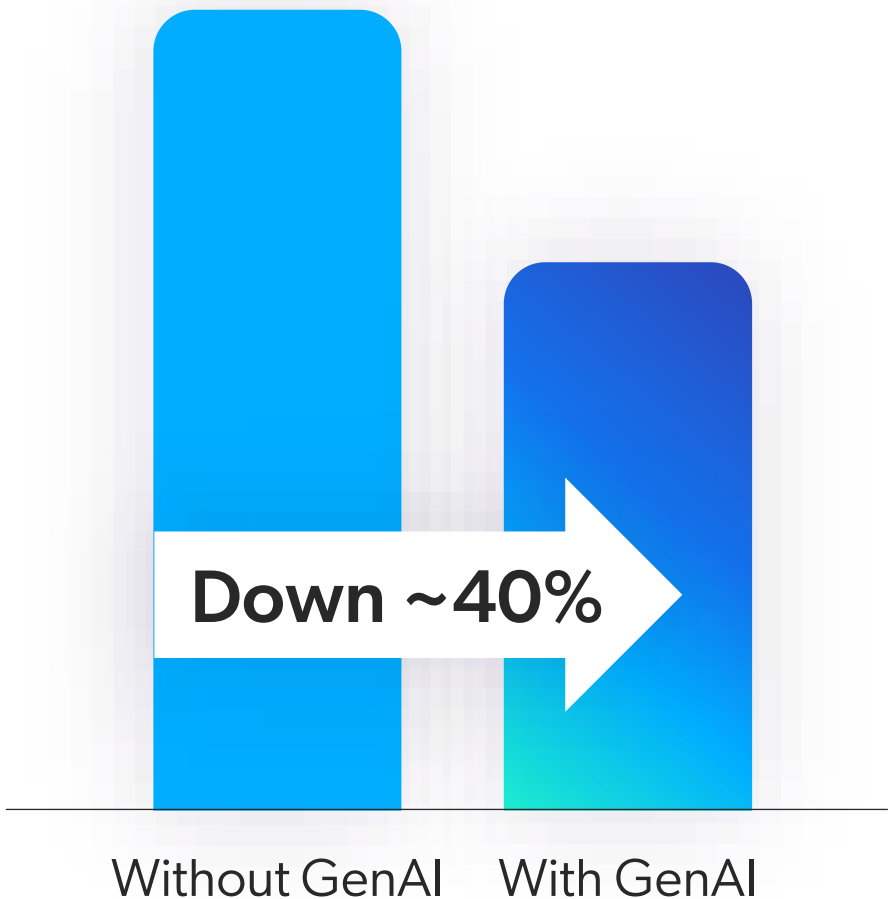
Over the past five years, our implementation of Coveo has, most critically, improved our customers’ support experience, contributed to an increase in engagement with our education offering, lifted our self-service rates, and contributed to an improvement in Xero’s gross margin. Our goal is to continually 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

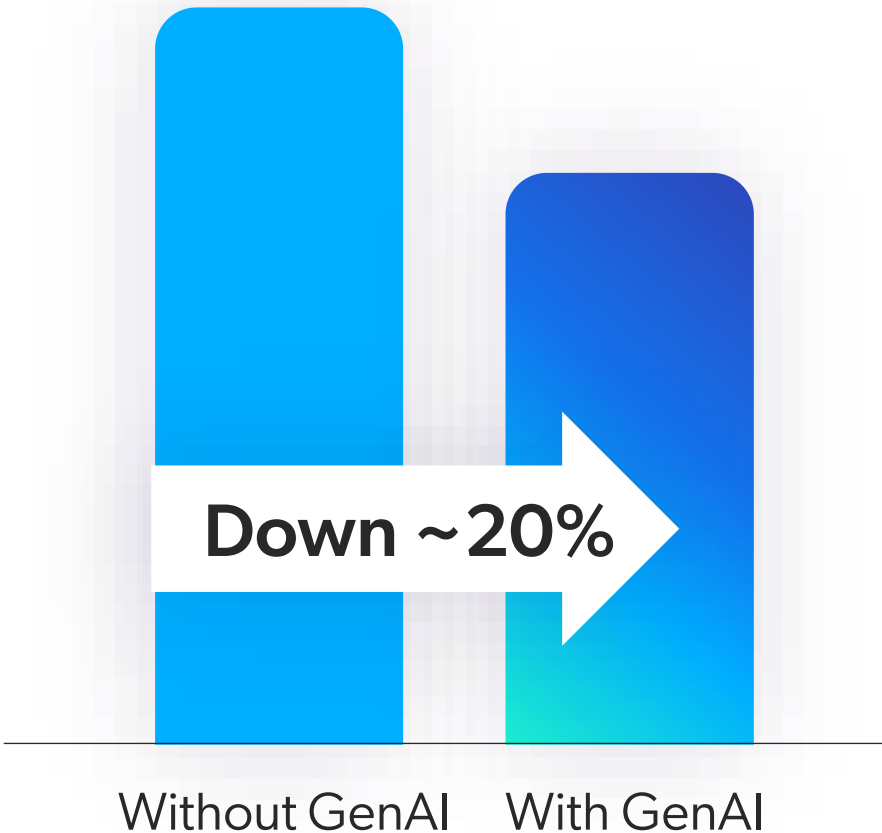
## Generative Answers in Xero Central (launched in October 2023)

*“We have seen better customer outcomes, including faster search times and further reduced human intervention from existing low levels”*

Average customer search time



Search sessions requiring additional CX support





Generated answer for you

To build an outdoor kitchen with a BBQ, here are some tips:

- 1. Plan your layout:** Determine the location and size of your outdoor kitchen. Consider the available space, the proximity to your house, and any existing structures or features in your backyard.
- 2. Choose durable materials:** Since your outdoor kitchen will be exposed to the elements, opt for materials that can withstand outdoor conditions. [Stainless steel](#) is a popular choice for [cabinets](#), [drawers](#), and [appliances](#) as it is resistant to rust and corrosion.
- 3. Include storage:** Make sure to incorporate enough storage space in your outdoor kitchen. [Stainless steel drawers](#) and [cabinets](#) are ideal for storing grilling tools, utensils, and other accessories. Consider adding a [built-in fridge](#) to keep your cold items easily accessible.
- 4. Select a BBQ grill:** Choose a [BBQ grill](#) that fits your needs and space. A [drop-in grill](#) takes up less space and can be integrated into your outdoor kitchen design. Consider the size, cooking features, and fuel type ([gas](#), [charcoal](#), or [electric](#)) when selecting a grill.
- 5. Plan for ventilation:** Proper ventilation is essential in an outdoor kitchen to remove smoke and odors. Install a [range hood](#) or exhaust fan above your BBQ grill to ensure good airflow.
- 6. Consider additional features:** Depending on your preferences and budget, you can add other features to enhance your outdoor kitchen experience. This may include a [sink](#), [countertop](#) space for food preparation, a bar area, seating, or even a [pizza oven](#).

Remember to check local building codes and regulations before starting your outdoor kitchen project.

[Learn more](#)

[1 Create your ultimate backyard](#)

[2 How to select a barbecue](#)

## Top categories



4 & 5 Burner  
BBQs



Smoker BBQs



Built In BBQs



Outdoor BBQ  
Kitchens

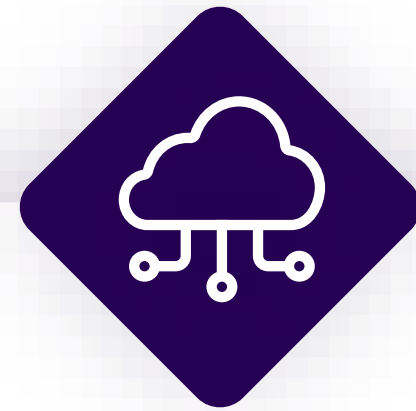


Pizza Ovens



Bar Fridges

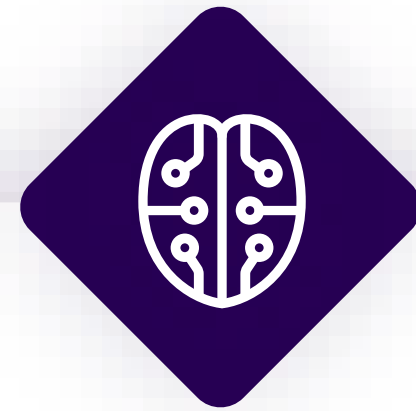
# Coveo Generative Answering: **Secure, Accurate, Trusted**



## Secure Content Retrieval

Secure access to +100 cloud and on-premise content sources

Structured and unstructured data with document-level security in the index



## Dynamic Grounding

The LLM prompt context is grounded with passages from secured personalized search results

Helps to ensure that the output is relevant, accurate, consistent and secure



## Auditable Prompts & Responses

All prompts and responses generated by the model are tracked and recorded for auditing purposes

Ensures the model is being used to generate answers in a responsible and ethical manner



## Zero Retention

Customer data is not kept by our LLM provider and is not used for LLM training



## Data Masking [Future]

Ability to tokenize PII in the prompt to ensure this data is not shared with the LLM provider



# Relevance Generative Answering Q3 Update

**Now Live!**

Announced **general availability** in December 2023

Signed expansion transactions at an **accelerating rate**

Additional customer **go-lives**, including first in **commerce**

Transactions closed across all **solution areas**



Service



Workplace



Commerce



Website

**Live Links:**

[Xero Central Support](#)  
[Coveo Partner Community](#)

Testing and implementation **highly successful** to-date, surpassing other offerings



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

↑ **23%**  
Increase in conversions  
with Machine Learning  
result ranking





# Fortune 500 Software Company

## Increasing relevance

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



Global Corporate  
Website



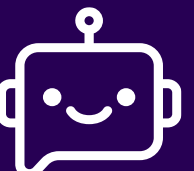
Marketplace /  
App Store



Online Training  
Platforms



Communities



Chatbots



In-App Help



Customer Support  
Agent



Help &  
Training



Blogs

### Marketplace / App Store

↑ **27%**

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

### Customer Support Agent

↓ **50%**

case resolution  
time

↓ **26%**

customer agent  
tenure

# Platform

Powered by  
**coveo ai™**

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.





# Packaged Integrations to the most popular enterprise apps



Commerce

B2B  
B2C Retail



Hybris (v)  
Commerce

salesforce



Service

Self-Service  
Contact Centers

salesforce



Platform

Websites  
Workplace

Adobe

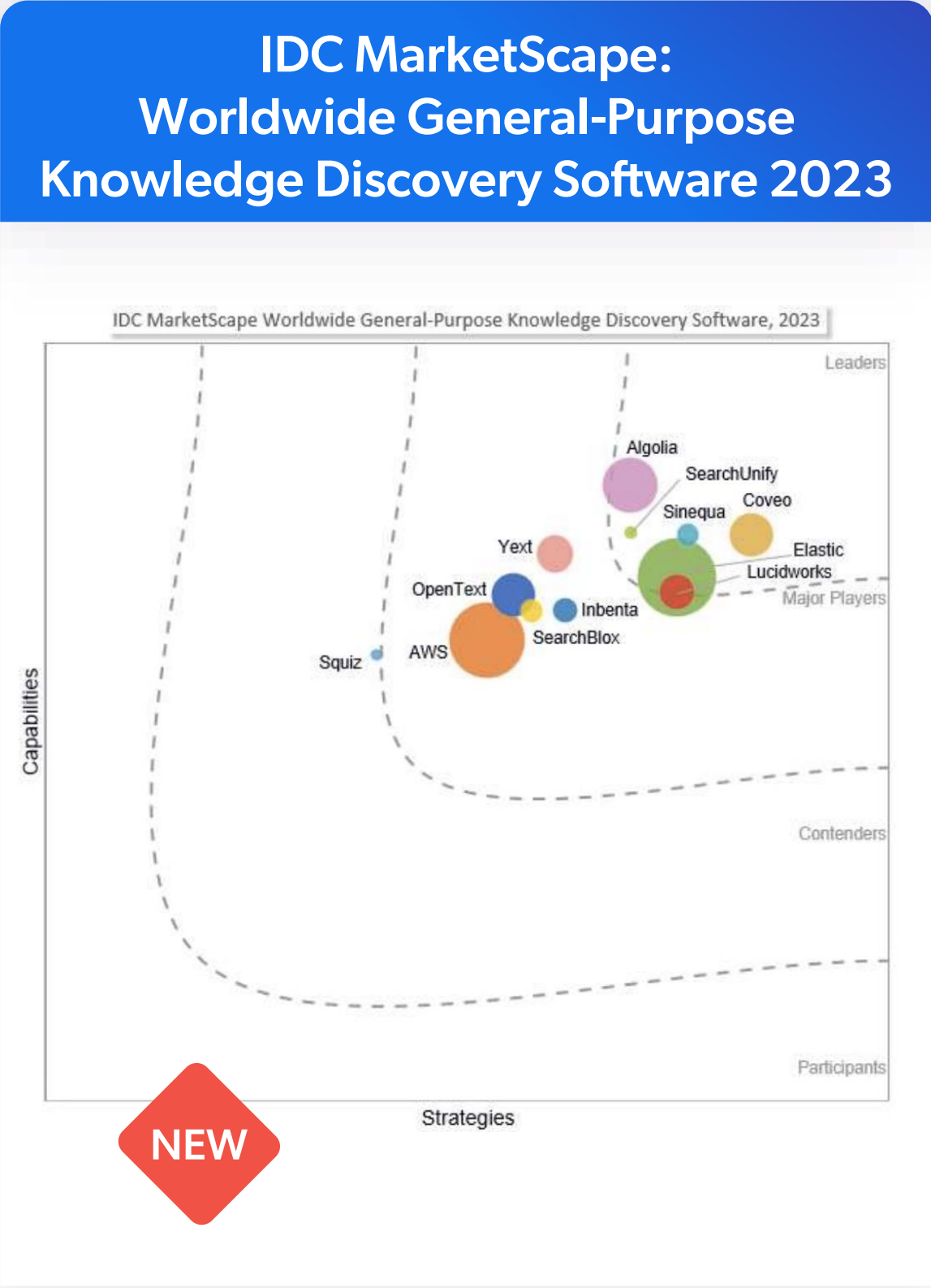
SITECORE®

salesforce

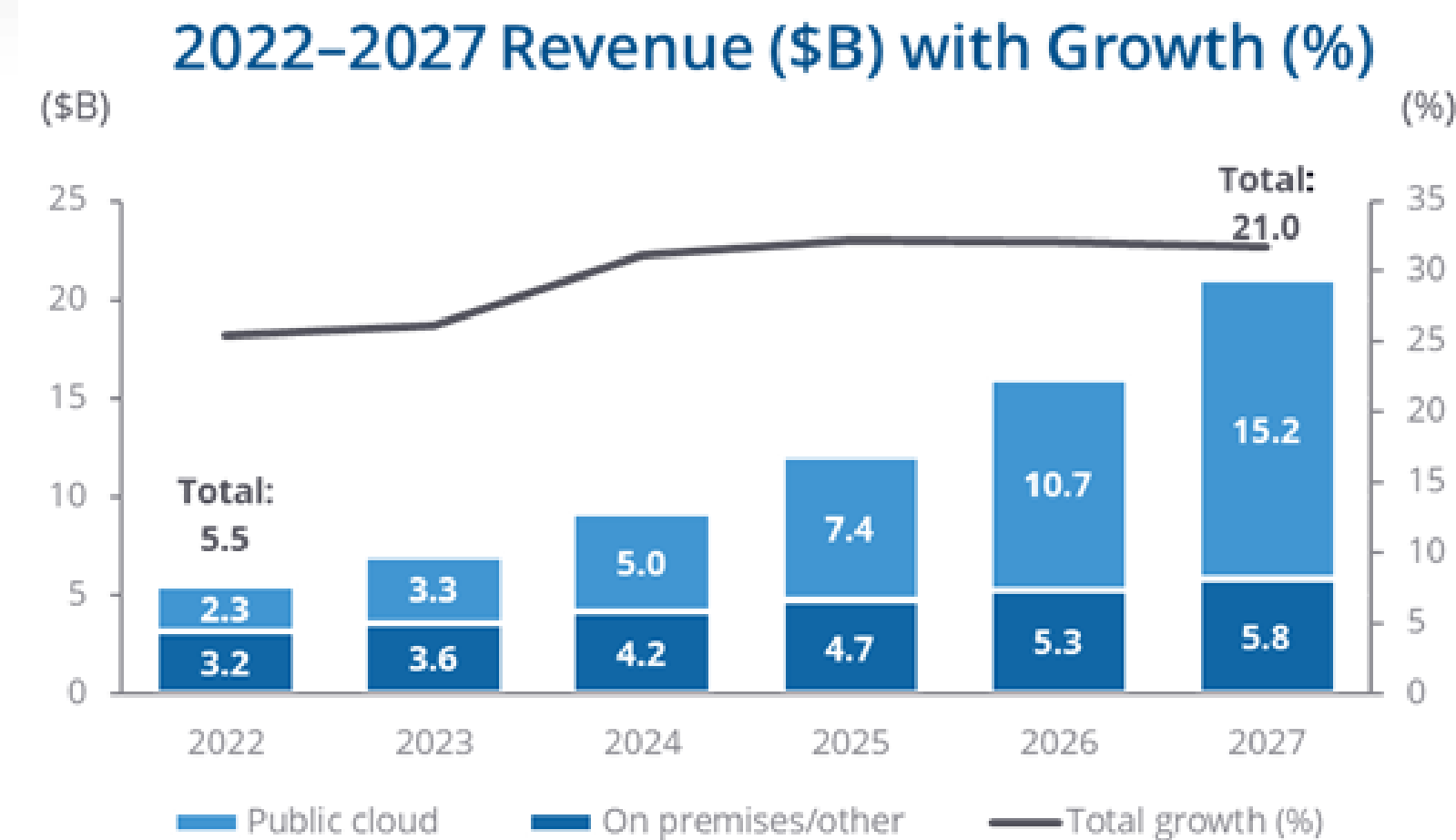


# Consistent top performer with market analysts

- ▶ Leader in Gartner Magic Quadrant for Insight Engines in 7 consecutive reports
- ▶ Forrester Wave for Cognitive Search in 6 consecutive reports



## Worldwide Search and Knowledge Discovery Software Revenue Snapshot



### Selected Segment Growth Rate

- ▲ On premises/other CAGR 12.8%
- ▲ Public cloud CAGR 45.3%

### Total Market CAGR

30.7%

We participate in a **rapidly-growing** market

The **AI, GenAI**, and **Search and Knowledge Discovery** markets are expected to experience rapid growth and are positioned for significant expansion in the coming years

Source: IDC Market Forecast Figure

# Compounding **growth** vectors

## 1 Grow existing customers

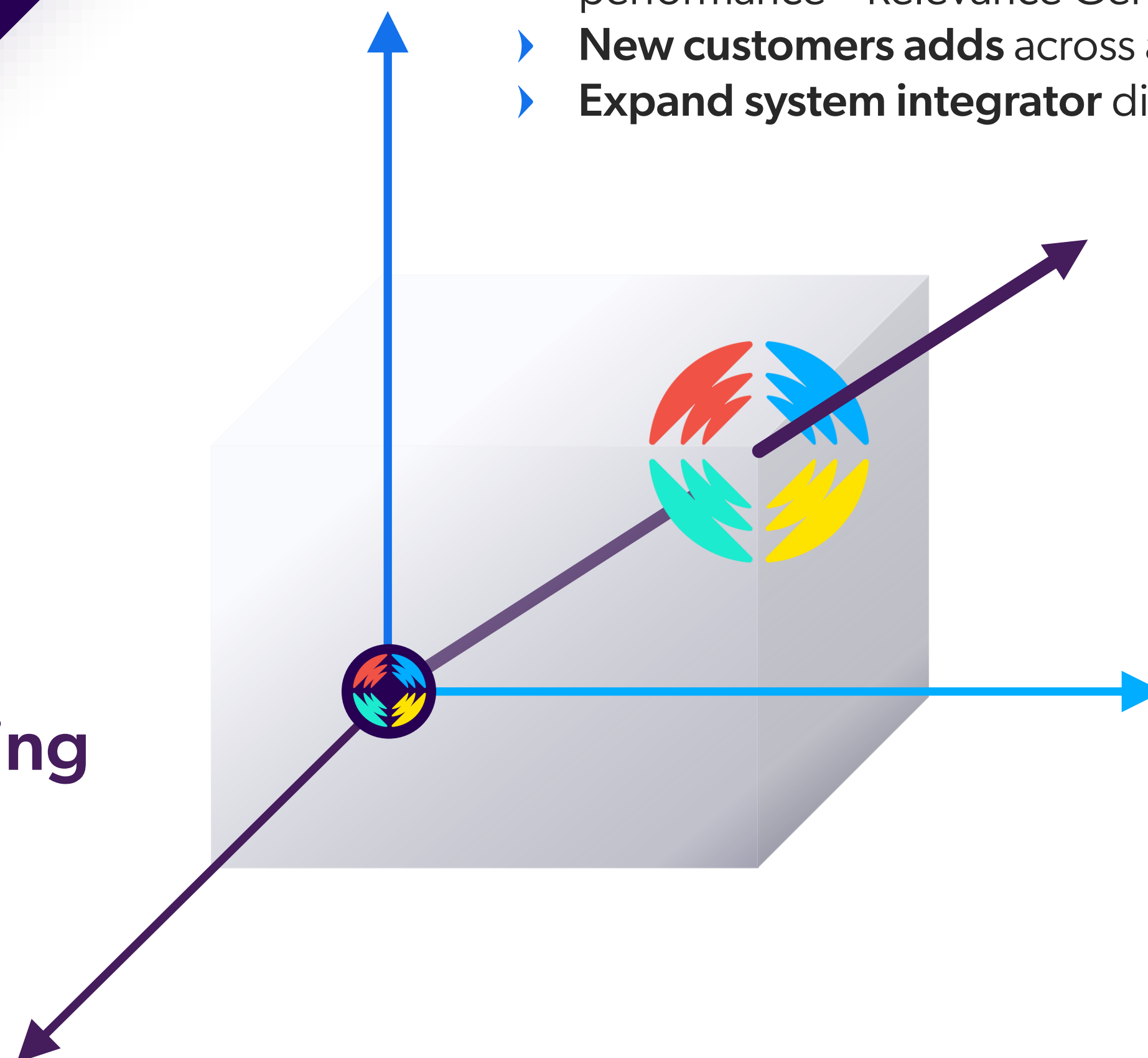
- **Relevance Generative Answering™**
- Upsell **additional volume**
- **Cross-sell** new use cases
- Redesign **product portfolio & pricing** for growth; upselling fee-based **advanced product capabilities**
- **Enterprise-wide subscription** agreements

## 2 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

## 3 Develop new markets

- **New platform integrations** into popular enterprise apps
- **Geographic** expansion – EMEA, ANZ
- Applications of our solutions in **new verticals**
- **M&A**: pursue strategic acquisition opportunities





# Financial Highlights

# 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**  
\$180K+ average ARR<sup>(1)</sup> / customer
- ▶ **Land and expand model**  
Net Expansion Rate<sup>(2)</sup> of 110% in most recent fiscal year

(1) Please refer to the "Definition of key performance indicators" section of the Appendix for the definition of ARR.

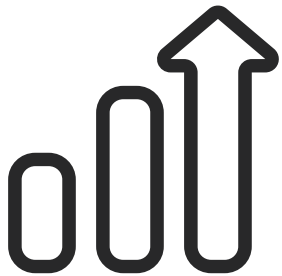
(2) Net Expansion Rate is a Key Performance Indicator of Coveo. Please refer to the "Definition of key performance indicators" section of the Appendix for the definition of such measure.

# Q3 FY'24 Highlights




\$31.8M

Q3 FY'24  
Total Revenue




13%

Q3 FY'24 SaaS  
Subscription  
Revenue<sup>(1)</sup> Growth  
(Year-over-Year)



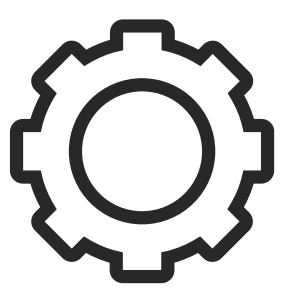
105%

Net Expansion Rate<sup>(1)</sup>  
as of Dec. 31, 2023  
*109% excluding legacy  
Qubit-related attrition<sup>(2)</sup>*



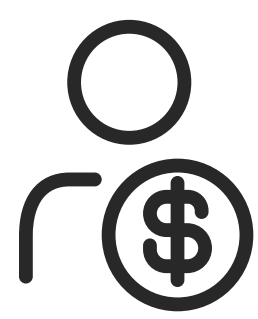
\$1.7M

Q3 FY'24 Adjusted  
Operating Loss  
*(vs. \$3.9M a year ago)*  
*Q3 FY'24 operating loss of  
\$6.5M vs. \$10.7M last year*



\$0.4M

YTD Q3 FY'24 Cash  
Flows Used in  
Operations  
*On track to achieve positive  
operating cash flow in FY'25*



\$125.6 –  
\$126.1M

Updated FY'24 Total  
Revenue<sup>(1)</sup> Guidance

(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 definitions of such measures.

(2)

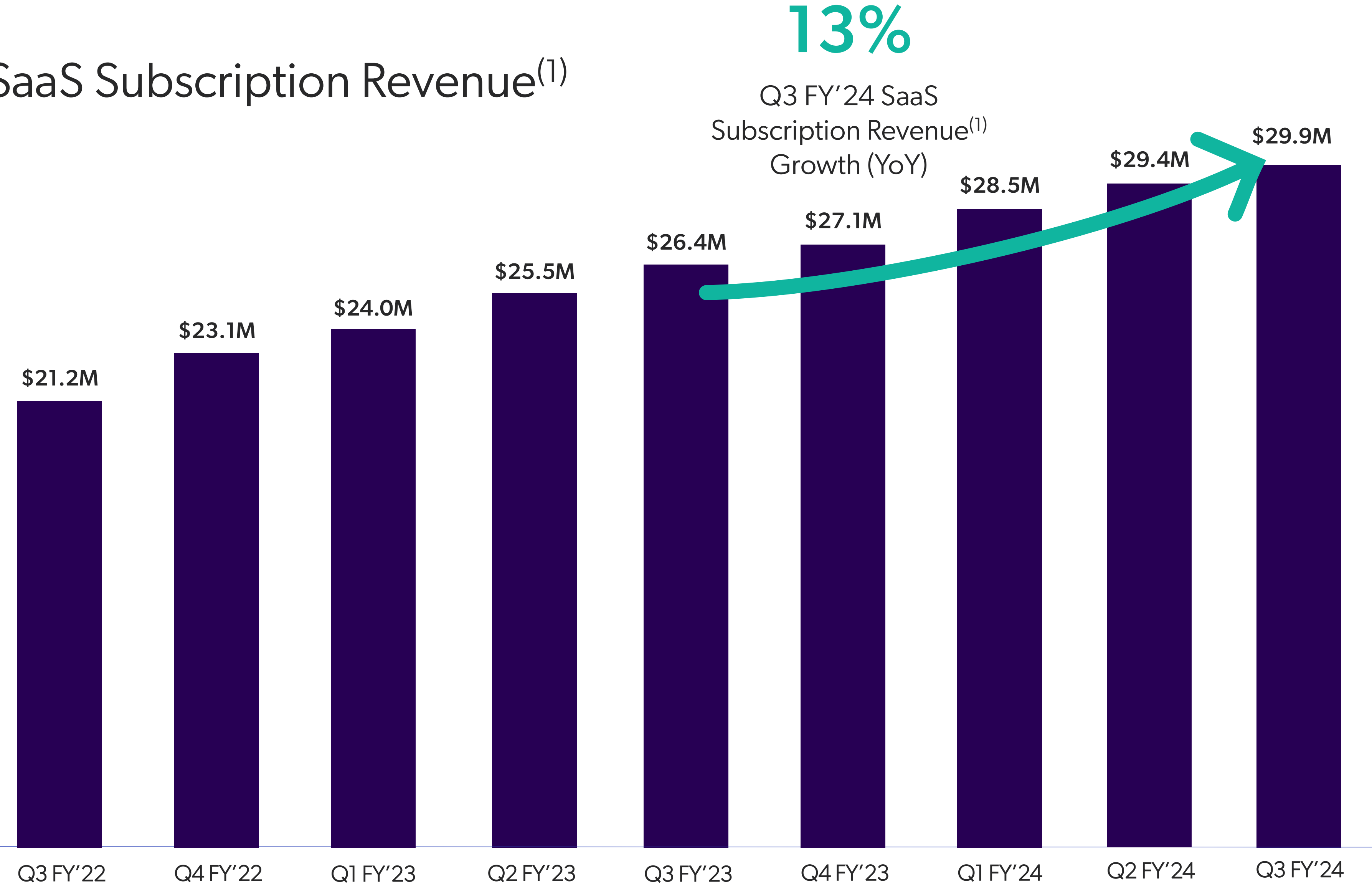
This customer attrition represents subscriptions of certain legacy Qubit customers using Qubit's product capabilities for non-core use cases that ultimately decided to not renew their subscriptions.



# Our Track Record of SaaS Growth

(in US\$ million)

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



(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.

# Gross Profit Measures

%	Q3 FY'24	Q3 FY'23
Gross Margin	77%	77%
Adjusted Gross Margin <sup>(1)</sup>	78%	78%
Product Gross Margin	81%	81%
Adjusted Product Gross Margin <sup>(1)</sup>	82%	82%

(1) Adjusted Gross Margin and Adjusted Product Gross Margin are non-IFRS financial ratios. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the relevant sections of the Appendix for the definitions of Adjusted Gross Margin, Adjusted Product Gross Margin and the reconciliation to their most directly comparable IFRS measures.



# Operating **Loss**

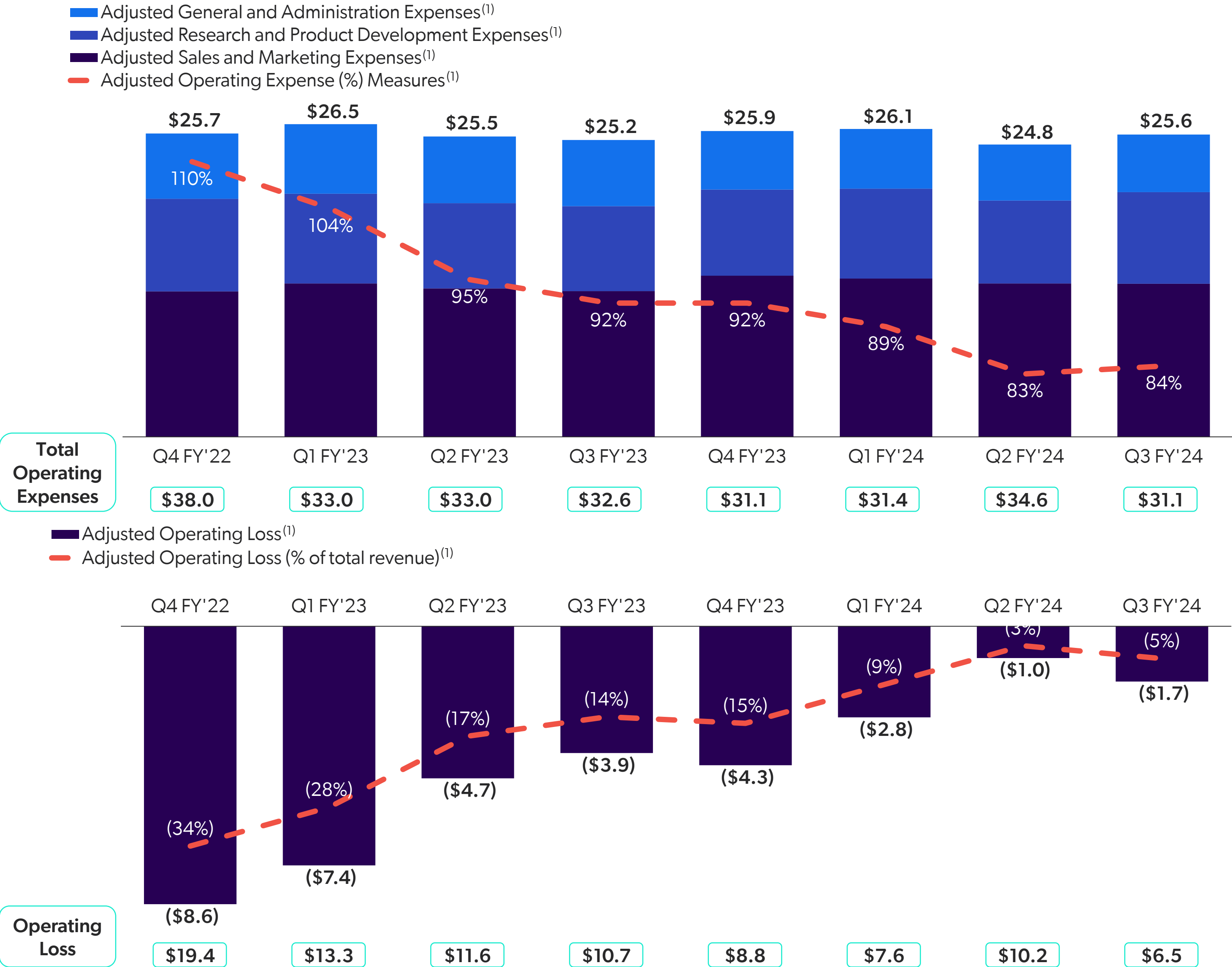
USD millions	Q3 FY'24	Q3 FY'23
Operating Loss	\$6.5	\$10.7
Adjusted Operating Loss <sup>(1)</sup>	\$1.7	\$3.9
Net Loss	\$6.2	\$10.0

(1) 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.

# Driving an Efficient Operating Model

- ▶ Strong management of operating expenses leading to significant leverage in the business model
- ▶ Continuing to invest in top growth areas; striking the balance of growth and profitability
- ▶ Adjusted Operating Loss<sup>(1)</sup> well ahead of plan; only ~\$400K of cash flows used in operations YTD in FY'24; on track to achieve positive operating cash flow in FY'25

(In US\$ million)



(1) Adjusted General and Administration Expenses, Adjusted Research and Product Development Expenses, Adjusted Sales and Marketing Expenses, Adjusted Operating Expense (%) Measures, Adjusted Operating Loss, and Adjusted Operating Loss (% of total revenue) are non-IFRS measures and ratios. For a definition of such non-IFRS measures and ratios and a reconciliation to the most comparable IFRS measures, please refer to the relevant reconciliation tables in the Appendix to this Presentation. Please also refer to the disclaimer of this Presentation.



# Q4 FY'24 and Full Year **Guidance**

USD millions	Q4 FY'24	Full Year FY'24
<b>SaaS Subscription Revenue<sup>(1)</sup></b>	<b>\$30.2 – \$30.7</b>	<b>\$118.0 – \$118.5</b>
<b>Total Revenue</b>	<b>\$32.1 – \$32.6</b>	<b>\$125.6 – \$126.1</b>
<b>Adjusted Operating Loss<sup>(2)</sup></b>	<b>\$2.0 – \$3.0</b>	<b>\$7.5 – \$8.5</b>
Coveo remains on track of its previous commitment to achieve positive operating cash flow in FY'25		

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 February 5, 2024 announcing Coveo's third quarter earnings for fiscal year 2024 available under our profile on [www.sedarplus.ca](http://www.sedarplus.ca) 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.

# Unique, scale position in AI

**Emerging platform opportunity in a large, exploding market**

Well-positioned to **accelerate revenue growth:**

- ▶ Leadership position in **generative AI**
- ▶ **Commerce + SAP**
- ▶ Expansion within our **install base**

Reliable and stable business model with **strong Net Expansion Rate<sup>(1)</sup>**

**Strategic partnerships** to help drive success

**Cash flow positivity** clearly in sight

**Strong balance sheet** to capitalize on opportunities

(1) Net Expansion Rate is a Key Performance Indicator of Coveo. Please refer to the "Definition of key performance indicators" section of the Appendix for the definition of the measure.

# 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 December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue				
SaaS subscription	29,901	26,389	87,842	75,861
Self-managed licenses and maintenance	-	298	-	912
<b>Product revenue</b>	<b>29,901</b>	<b>26,687</b>	<b>87,842</b>	<b>76,773</b>
Professional services	1,860	1,810	5,670	6,119
<b>Total revenue</b>	<b>31,761</b>	<b>28,497</b>	<b>93,512</b>	<b>82,892</b>
Cost of revenue				
Product	5,731	4,948	16,182	14,455
Professional services	1,439	1,656	4,467	5,455
<b>Total cost of revenue</b>	<b>7,170</b>	<b>6,604</b>	<b>20,649</b>	<b>19,910</b>
<b>Gross profit</b>	<b>24,591</b>	<b>21,893</b>	<b>72,863</b>	<b>62,982</b>
Operating expenses				
Sales and marketing	13,788	13,728	41,146	42,450
Research and product development	9,153	8,705	27,035	26,800
General and administrative	6,409	8,102	20,032	22,917
Depreciation of property and equipment	605	599	1,777	1,951
Amortization and impairment of intangible assets	721	1,072	5,926	3,337
Depreciation of right-of-use assets	383	388	1,182	1,181
<b>Total operating expenses</b>	<b>31,059</b>	<b>32,594</b>	<b>97,098</b>	<b>98,636</b>
<b>Operating loss</b>	<b>(6,468)</b>	<b>(10,701)</b>	<b>(24,235)</b>	<b>(35,654)</b>

## Operating loss

Net financial revenue	(1,663)	(1,485)	(4,970)	(2,904)
Foreign exchange loss (gain)	1,583	735	1,327	(581)
<b>Loss before income tax expense (recovery)</b>	<b>(6,388)</b>	<b>(9,951)</b>	<b>(20,592)</b>	<b>(32,169)</b>
Income tax expense (recovery)	(236)	96	(1,032)	330
<b>Net loss</b>	<b>(6,152)</b>	<b>(10,047)</b>	<b>(19,560)</b>	<b>(32,499)</b>
Net loss per share – Basic and diluted	(0.06)	(0.10)	(0.19)	(0.31)
Weighted average number of shares outstanding – Basic and diluted	102,471,561	104,825,521	103,601,713	104,336,957

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Operating loss</b>	<b>(6,468)</b>	<b>(10,701)</b>	<b>(24,235)</b>	<b>(35,654)</b>
Net financial revenue	(1,663)	(1,485)	(4,970)	(2,904)
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Weighted average number of shares outstanding – Basic and diluted	102,471,561	104,825,521	103,601,713	104,336,957

# 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:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Share-based payments and related expenses</b>				
Product cost of revenue	200	182	666	574
Professional services cost of revenue	119	157	432	466
Sales and marketing	810	1,375	1,747	4,445
Research and product development	1,391	1,487	4,622	4,608
General and administrative	1,518	2,163	5,334	5,406
<b>Share-based payments and related expenses</b>	<b>4,038</b>	<b>5,364</b>	<b>12,801</b>	<b>15,499</b>

# Reconciliation of Adjusted Operating Loss to Operating Loss

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
<b>Operating loss</b>	<b>(6,468)</b>	<b>(10,701)</b>	<b>(24,235)</b>	<b>(35,654)</b>
Share-based payments and related expenses <sup>(1)</sup>	4,038	5,364	12,801	15,499
Amortization and impairment of acquired intangible assets <sup>(2)</sup>	720	1,070	5,923	3,333
Acquisition-related compensation <sup>(3)</sup>	-	21	-	407
Transaction-related expenses <sup>(4)</sup>	-	324	-	324
<b>Adjusted Operating Loss</b>	<b>(1,710)</b>	<b>(3,922)</b>	<b>(5,511)</b>	<b>(16,091)</b>

- (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) These expenses represent the amortization and impairment of intangible assets acquired through the acquisition of Qubit. These costs are included in amortization and impairment of intangible assets. It includes an impairment of customer relationships acquired through the business combination with Qubit as described in note 5 of the condensed interim consolidated financial statements for the three and nine months ended December 31, 2023.
- (3) These expenses relate to non-recurring acquisition-related compensation in connection with 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 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.

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



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

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Total revenue</b>	<b>31,761</b>	<b>28,497</b>	<b>93,512</b>	<b>82,892</b>
<b>Gross profit</b>	<b>24,591</b>	<b>21,893</b>	<b>72,863</b>	<b>62,982</b>
<i>Gross margin</i>	<i>77%</i>	<i>77%</i>	<i>78%</i>	<i>76%</i>
Add: Share-based payments and related expenses	319	339	1,098	1,040
Add: Acquisition-related compensation	-	6	-	172
<b>Adjusted Gross Profit</b>	<b>24,910</b>	<b>22,238</b>	<b>73,961</b>	<b>64,194</b>
<i>Adjusted Gross Margin</i>	<i>78%</i>	<i>78%</i>	<i>79%</i>	<i>77%</i>
<b>Product revenue</b>	<b>29,901</b>	<b>26,687</b>	<b>87,842</b>	<b>76,773</b>
<b>Product cost of revenue</b>	<b>5,731</b>	<b>4,948</b>	<b>16,182</b>	<b>14,455</b>
<b>Product gross profit</b>	<b>24,170</b>	<b>21,739</b>	<b>71,660</b>	<b>62,318</b>
<i>Product Gross margin</i>	<i>81%</i>	<i>81%</i>	<i>82%</i>	<i>81%</i>
Add: Share-based payments and related expenses	200	182	666	574
Add: Acquisition-related compensation	-	4	-	134
<b>Adjusted Product Gross Profit</b>	<b>24,370</b>	<b>21,925</b>	<b>72,326</b>	<b>63,026</b>
<i>Adjusted Product Gross Margin</i>	<i>82%</i>	<i>82%</i>	<i>82%</i>	<i>82%</i>
<b>Professional services revenue</b>	<b>1,860</b>	<b>1,810</b>	<b>5,670</b>	<b>6,119</b>
<b>Professional services cost of revenue</b>	<b>1,439</b>	<b>1,656</b>	<b>4,467</b>	<b>5,455</b>
<b>Professional services gross profit</b>	<b>421</b>	<b>154</b>	<b>1,203</b>	<b>664</b>
<i>Professional services gross margin</i>	<i>23%</i>	<i>9%</i>	<i>21%</i>	<i>11%</i>
Add: Share-based payments and related expenses	119	157	432	466
Add: Acquisition-related compensation	-	2	-	38
<b>Adjusted Professional Services Gross Profit</b>	<b>540</b>	<b>313</b>	<b>1,635</b>	<b>1,168</b>
<i>Adjusted Professional Services Gross Margin</i>	<i>29%</i>	<i>17%</i>	<i>29%</i>	<i>19%</i>

“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”.

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

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Sales and marketing expenses</b>	<b>13,788</b>	<b>13,728</b>	<b>41,146</b>	<b>42,450</b>
<i>Sales and marketing expenses (%)</i>	<i>43%</i>	<i>48%</i>	<i>44%</i>	<i>51%</i>
Less: Share-based payments and related expenses	810	1,375	1,747	4,445
Less: Acquisition-related compensation	-	6	-	77
<b>Adjusted Sales and Marketing Expenses</b>	<b>12,978</b>	<b>12,347</b>	<b>39,399</b>	<b>37,928</b>
<i>Adjusted Sales and Marketing Expenses (%)</i>	<i>41%</i>	<i>43%</i>	<i>42%</i>	<i>46%</i>
<b>Research and product development expenses</b>	<b>9,153</b>	<b>8,705</b>	<b>27,035</b>	<b>26,800</b>
<i>Research and product development expenses (%)</i>	<i>29%</i>	<i>31%</i>	<i>29%</i>	<i>32%</i>
Less: Share-based payments and related expenses	1,391	1,487	4,622	4,608
Less: Acquisition-related compensation	-	8	-	143
<b>Adjusted Research and Product Development Expenses</b>	<b>7,762</b>	<b>7,210</b>	<b>22,413</b>	<b>22,049</b>
<i>Adjusted Research and Product Development Expenses (%)</i>	<i>24%</i>	<i>25%</i>	<i>24%</i>	<i>27%</i>
<b>General and administrative expenses</b>	<b>6,409</b>	<b>8,102</b>	<b>20,032</b>	<b>22,917</b>
<i>General and administrative expenses (%)</i>	<i>20%</i>	<i>28%</i>	<i>21%</i>	<i>28%</i>
Less: Share-based payments and related expenses	1,518	2,163	5,334	5,406
Less: Acquisition-related compensation	-	1	-	15
Less: Transaction-related expenses	-	324	-	324
<b>Adjusted General and Administrative Expenses</b>	<b>4,891</b>	<b>5,614</b>	<b>14,698</b>	<b>17,172</b>
<i>Adjusted General and Administrative Expenses (%)</i>	<i>15%</i>	<i>20%</i>	<i>16%</i>	<i>21%</i>

“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”.



# Condensed Interim Consolidated Statements of Financial Position

(in thousands of US dollars, unaudited)

	December 31, 2023	March 31, 2023
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	163,118	198,452
Trade and other receivables	33,678	24,233
Government assistance	11,413	7,142
Prepaid expenses	6,957	8,707
	215,166	238,534
<b>Non-current assets</b>		
Contract acquisition costs	10,541	11,148
Property and equipment	6,170	6,846
Intangible assets	9,502	15,107
Right-of-use assets	6,557	7,645
Deferred tax assets	3,817	3,896
Goodwill	26,092	25,642
<b>Total assets</b>	<b>277,845</b>	<b>308,818</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payable and accrued liabilities	21,917	21,435
Deferred revenue	64,145	55,260
Current portion of lease obligations	2,083	1,929
	88,145	78,624
<b>Non-current liabilities</b>		
Lease obligations	7,604	8,940
Deferred tax liabilities	1,723	2,721
<b>Total liabilities</b>	<b>97,472</b>	<b>90,285</b>
<b>Shareholders' equity</b>		
Share capital	834,370	868,409
Contributed surplus	37,613	25,949
Deficit	(651,548)	(631,988)
Accumulated other comprehensive loss	(40,062)	(43,837)
<b>Total shareholders' equity</b>	<b>180,373</b>	<b>218,533</b>
<b>Total liabilities and shareholders' equity</b>	<b>277,845</b>	<b>308,818</b>



# Condensed Interim Consolidated Statements of Cash Flows

(in thousands of US dollars, unaudited)

	Nine months ended December 31,	
	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss	(19,560)	(32,499)
Items not affecting cash		
Amortization of contract acquisition costs	3,337	3,302
Depreciation of property and equipment	1,777	1,951
Amortization and impairment of intangible assets	5,926	3,337
Depreciation of right-of-use assets	1,182	1,181
Share-based payments	11,759	15,628
Interest on lease obligations	407	482
Variation of deferred tax assets and liabilities	(987)	323
Unrealized foreign exchange loss (gain)	1,113	(581)
Changes in non-cash working capital items	(5,388)	7,728
	<b>(434)</b>	<b>852</b>
<b>Cash flows used in investing activities</b>		
Business combination, net of cash acquired	-	(475)
Additions to property and equipment	(953)	(1,046)
Additions to intangible assets	(23)	(5)
	<b>(976)</b>	<b>(1,526)</b>
<b>Cash flows used in financing activities</b>		
Proceeds from exercise of stock options	1,392	1,579
Tax withholding for net share settlement	(1,267)	(599)
Payments on lease obligations	(1,750)	(1,889)
Shares repurchased and cancelled	(29,649)	-
Repurchase of stock options	(4,553)	-
	<b>(35,827)</b>	<b>(909)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	1,903	(13,924)
<b>Decrease in cash and cash equivalents during the period</b>	<b>(35,334)</b>	<b>(15,507)</b>
Cash and cash equivalents – beginning of period	198,452	223,072
<b>Cash and cash equivalents – end of period</b>	<b>163,118</b>	<b>207,565</b>
Cash	21,854	51,170
Cash equivalents	141,264	156,395

# 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 (**“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; and
- iii. Is net of the SaaS ACV Value from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected.

**“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](http://www.sedarplus.ca), for additional details on the abovementioned key performance indicators.