



Investor Presentation

August 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. 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, 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 EBITDA, 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 key 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.

Overview

Coveo brings the **AI-Experience Advantage** to every Point-of-Experience across the enterprise



creating remarkable interactions that drive the bottom line

powered by the Coveo Composable AI Search & Generative Experience Platform™



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**

~700

Leading enterprise customers

~700

Employees
(40% in R&D)

10+ years

AI Platform deployments
in digital experiences

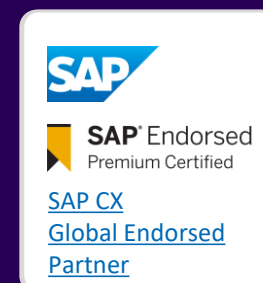
Cumulative applied AI knowledge
compounded from the largest enterprise base



One single AI platform

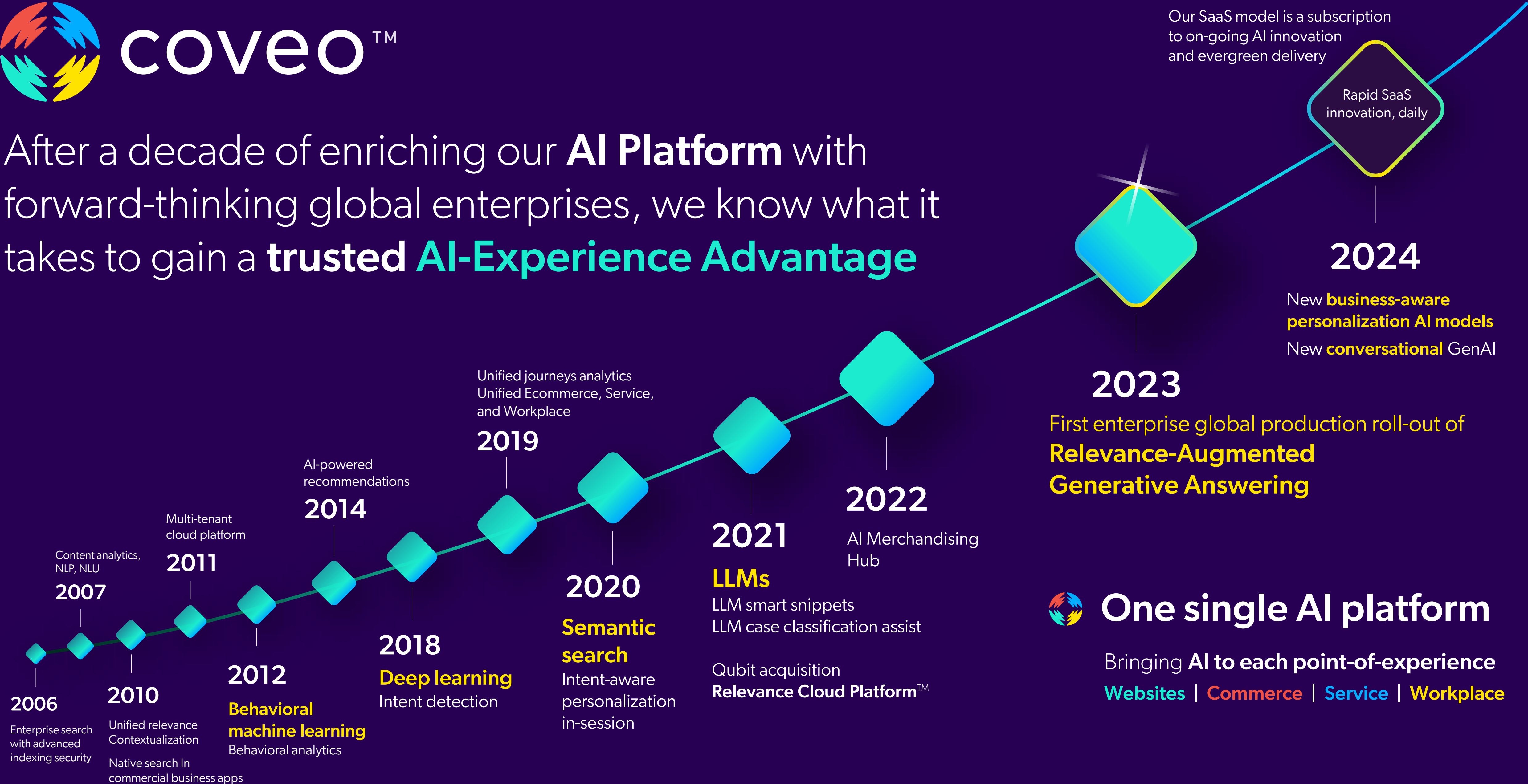
Bringing AI at every Point-of-Experience
Websites | Commerce | Service | Workplace

- › AI Search
- › AI Recommendations
- › Relevance-Augmented Generative Answering
- › Unified Personalization





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**



Our SaaS model is a subscription to on-going AI innovation and evergreen delivery

Rapid SaaS innovation, daily

2024

New **business-aware personalization AI models**
New **conversational GenAI**

2023

First enterprise global production roll-out of **Relevance-Augmented Generative Answering**

2022

AI Merchandising Hub

2021

LLMs
LLM smart snippets
LLM case classification assist

2020

Semantic search
Intent-aware personalization in-session

2019

Unified journeys analytics
Unified Ecommerce, Service, and Workplace

2014

AI-powered recommendations

2011

Multi-tenant cloud platform

2007

Content analytics, NLP, NLU

2006

Enterprise search with advanced indexing security

2010

Unified relevance Contextualization
Native search In commercial business apps

2012

Behavioral machine learning
Behavioral analytics

2018

Deep learning
Intent detection



One single AI platform

Bringing **AI to each point-of-experience**
Websites | Commerce | Service | Workplace

We serve global enterprises

~700 enterprise SaaS customers⁽¹⁾, 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

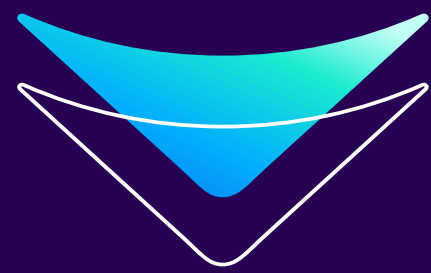


And hundreds of other companies in the technology, healthcare, manufacturing, financial services, and retail industries

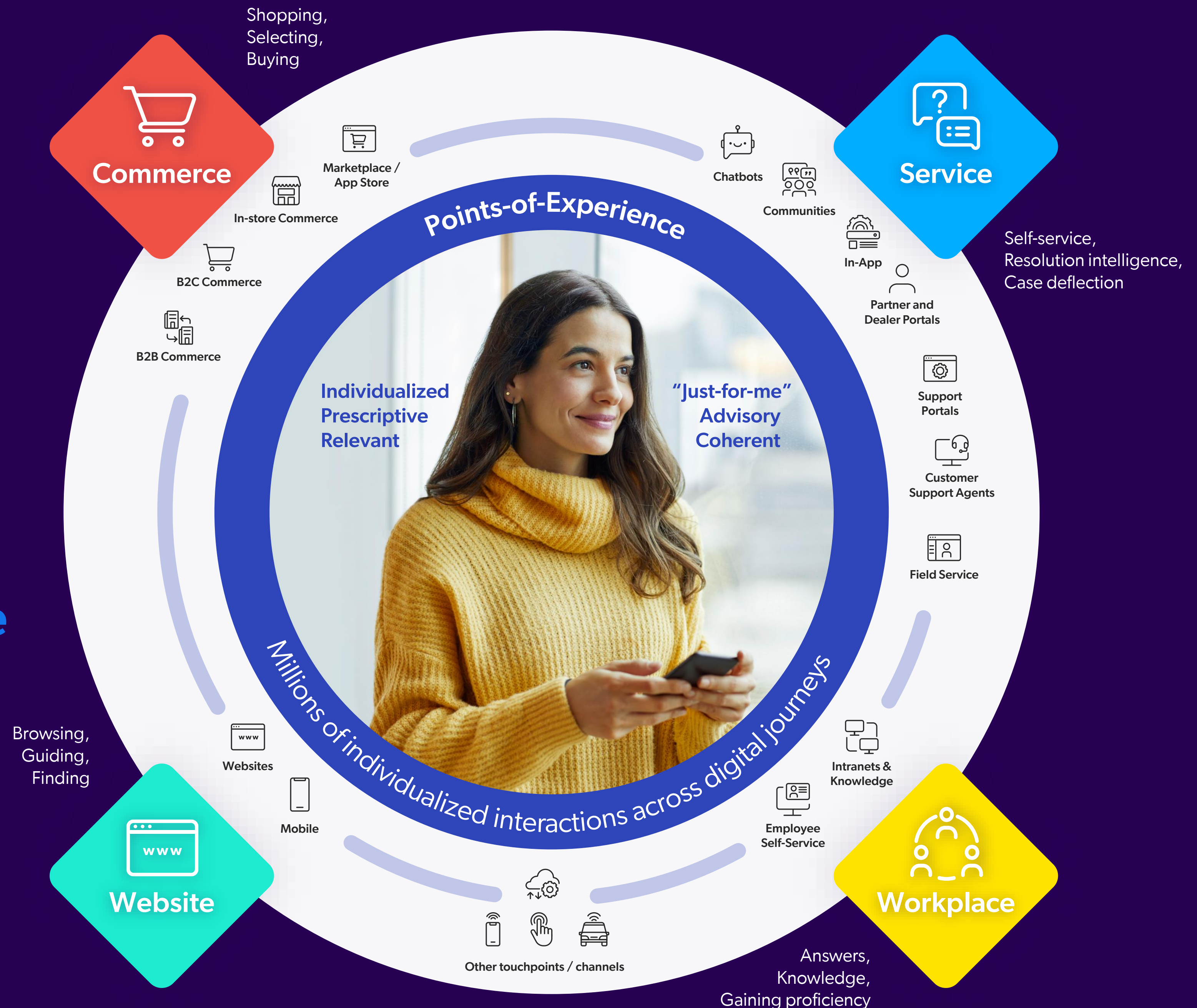
(1) As of March 31, 2024.

The future is Business-to-Person

powered by **AI Search**
and **Generative AI**
at **every Point-of-Experience**



the **AI-Experience Advantage**



The AI-Experience Advantage

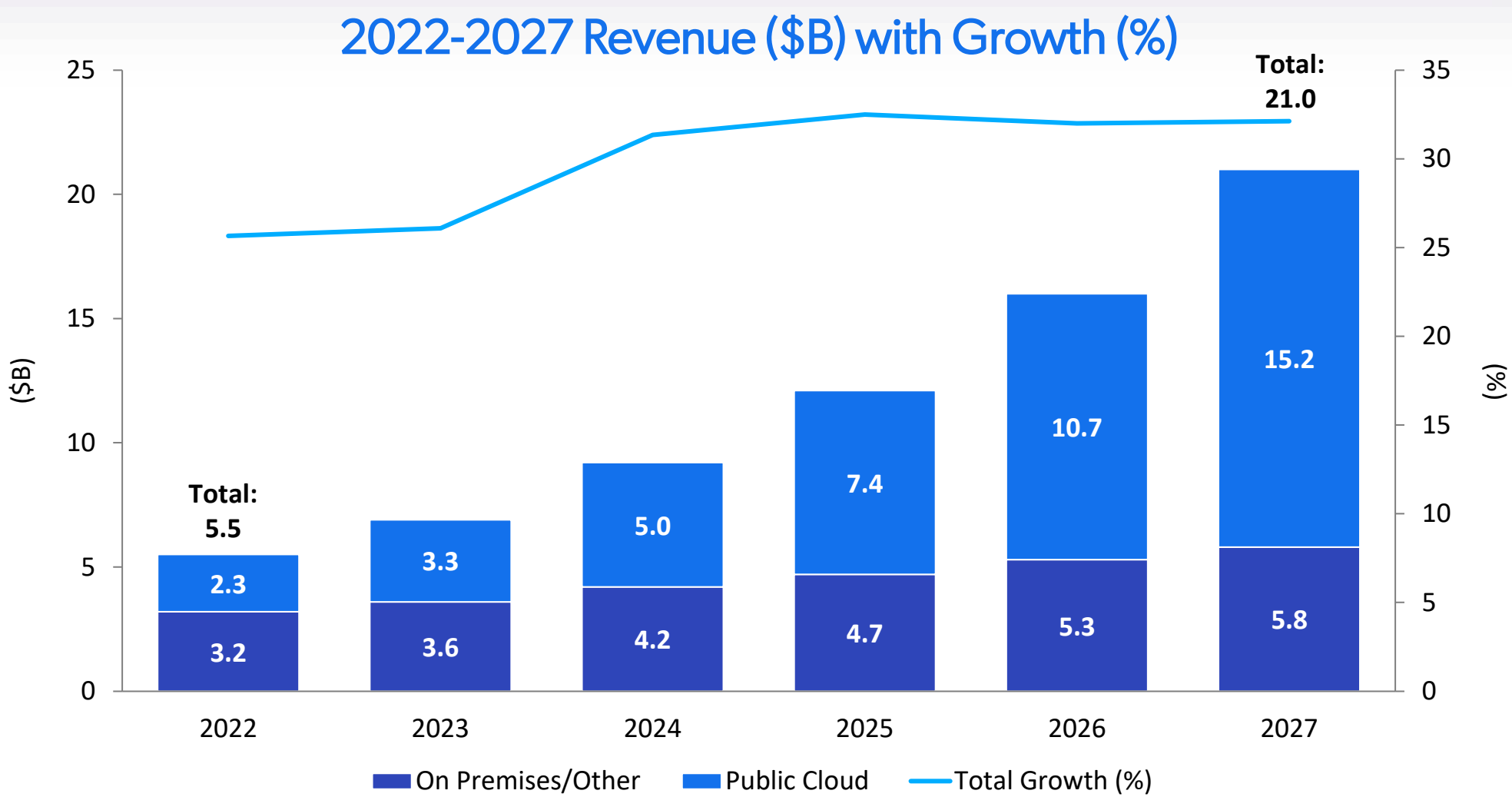
Degree to which the enterprise-wide **content**,
products, **recommendations**, and **advice**
presented to a **person** online **aligns** easily with their
needs, **intent**, **preferences**, **context**, **behavior**,
while driving superior **business outcomes**



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

Worldwide Search and Knowledge Discovery Software Revenue Snapshot



Selected Segment Growth Rate

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

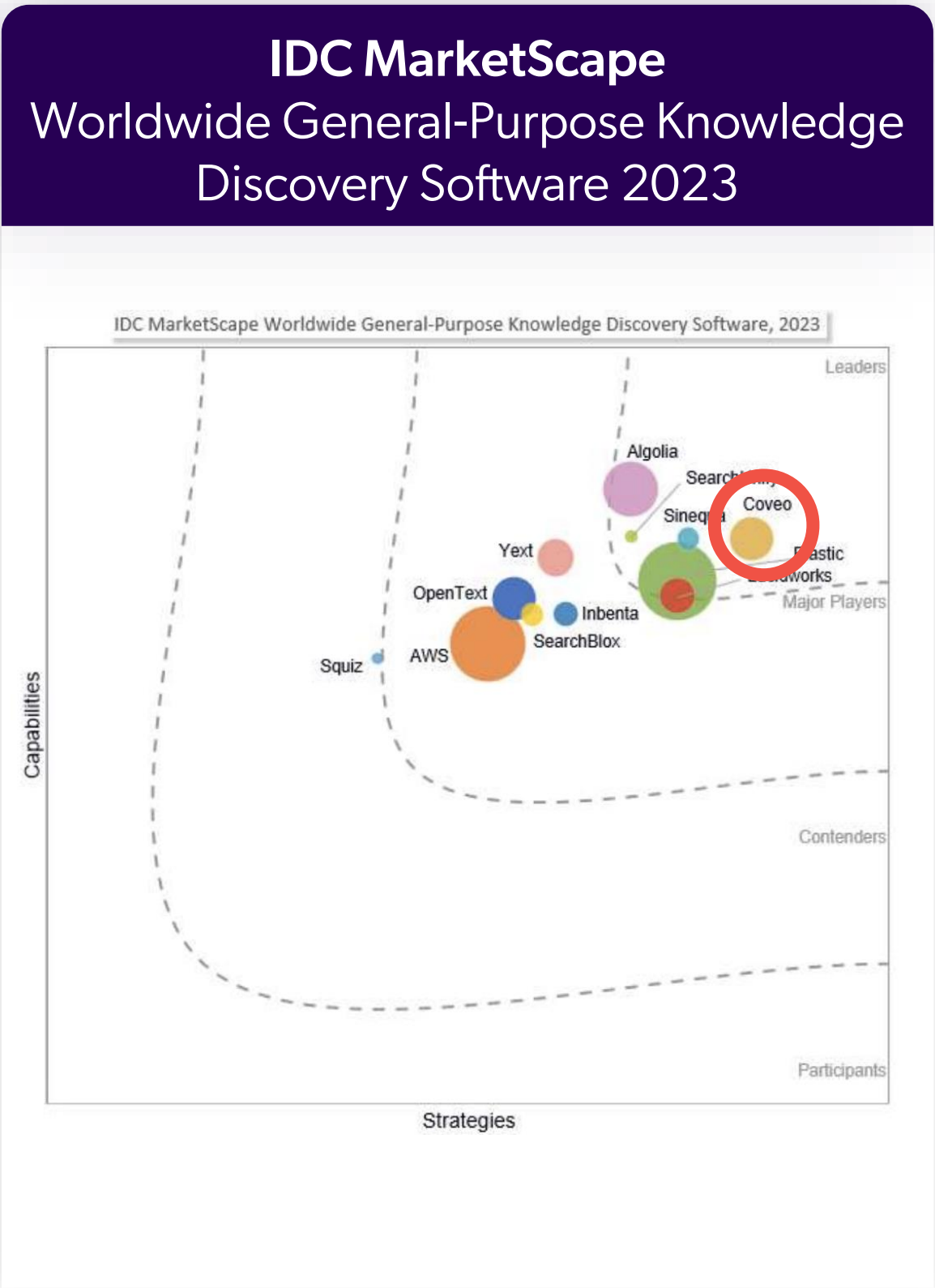
Total Market CAGR:
30.7%

Source: IDC Market Forecast Figure



Consistent leader with market analysts

- ▶ **Leader** in Gartner Magic Quadrant for Insight Engines in **7 consecutive reports**
- ▶ **Leader** in Forrester Wave for Cognitive Search in **6 consecutive reports**
- ▶ **Now Leader in** in Gartner Magic Quadrant for Search & Product Discovery



Gartner

Gartner

FORRESTER

IDC



The capabilities of Generative AI took the world by storm and became the catalyst for an **unprecedented interest from global enterprises in adopting AI.**

Digital experiences, conversational AI are high value use cases, and **Coveo is well positioned.**

Our Platform

How do you bring
the entire enterprise
to every person,
while maximizing
business outcomes?



Business Outcomes
↑Revenue and ↓costs

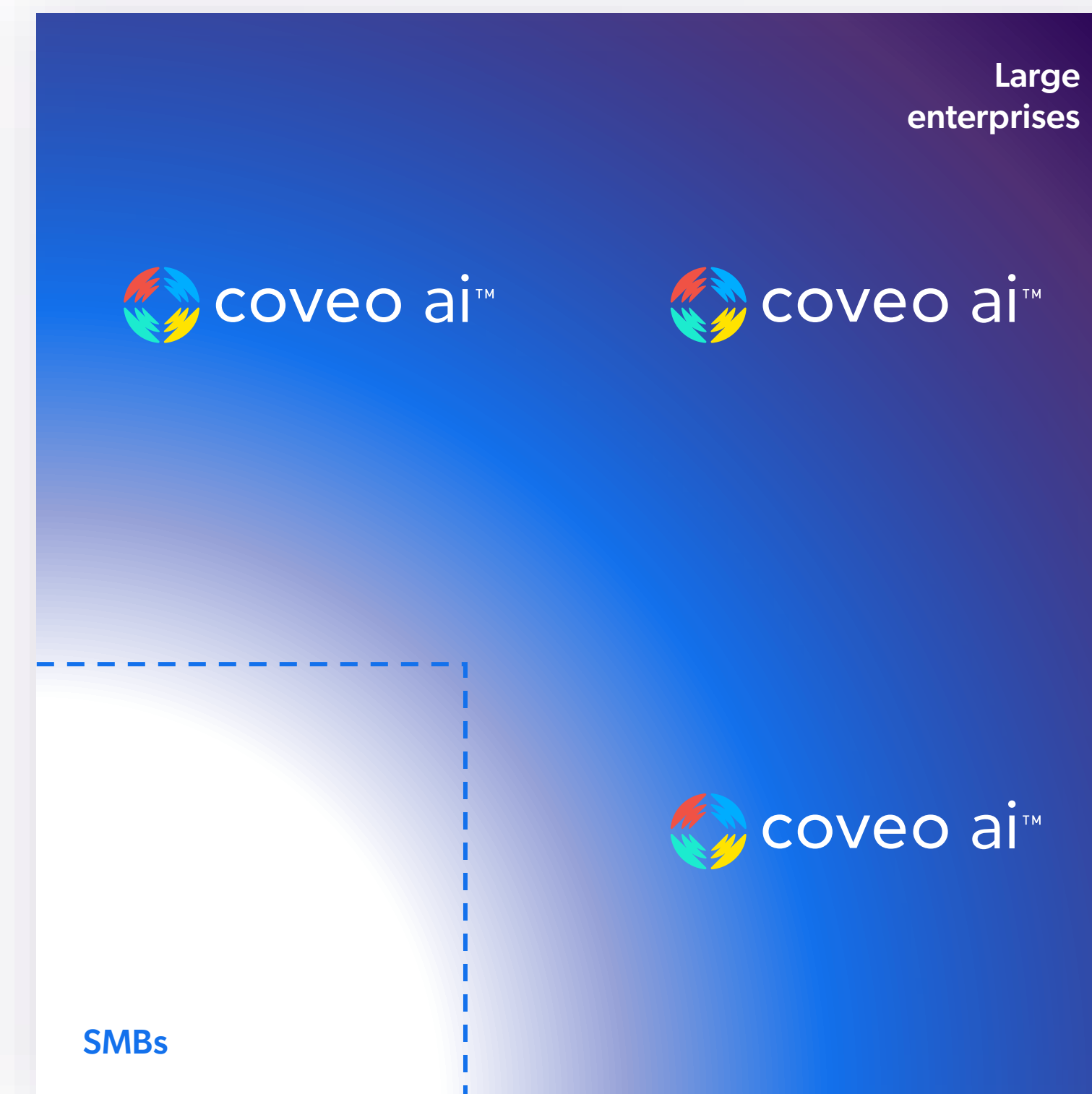
Content

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

Complex Indexing, Embeddings, Security

- Millions of documents – structured / unstructured
- Multiple & secure sources of content
 - Very complex documents
- Hundreds of thousands of products

- Simpler content
- Low to average volume of documents
- Fewer sources

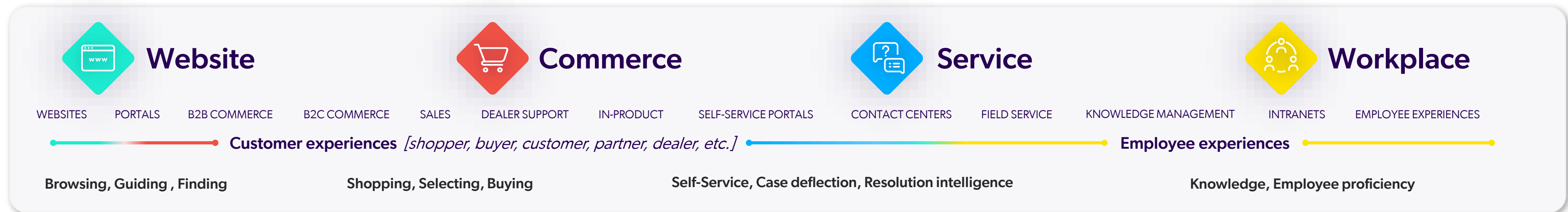


- Smaller audience
- More homogeneous audience

Audience
Large and diversified

Complex Relevance

- Thousands to millions of users
- Large and/or global audience
- Multiple digital engagement channels and apps
 - Highly individualized experience expectations
- Many unauthenticated users



Content & Data layer - *[Structured data and unstructured content]*

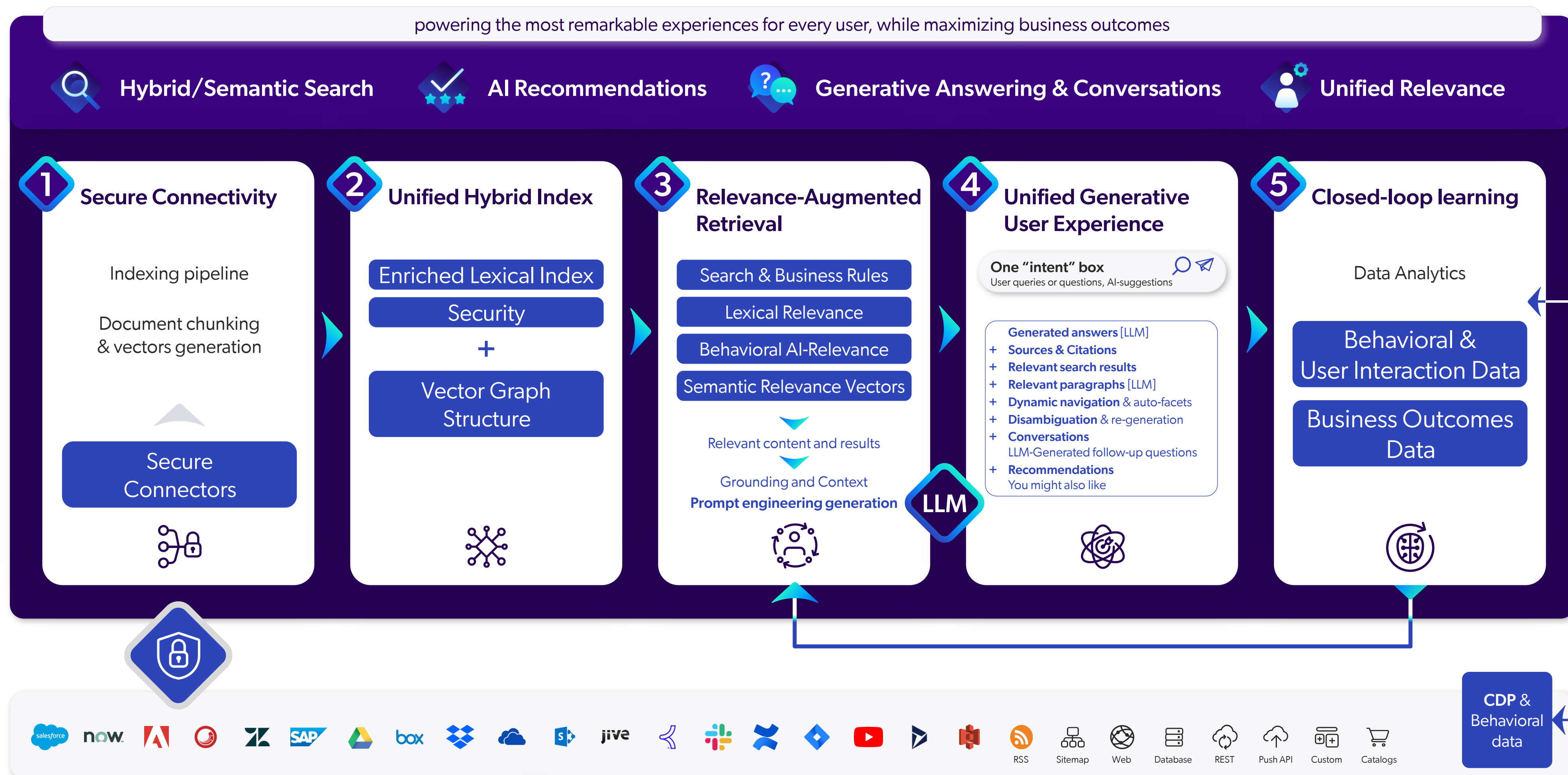
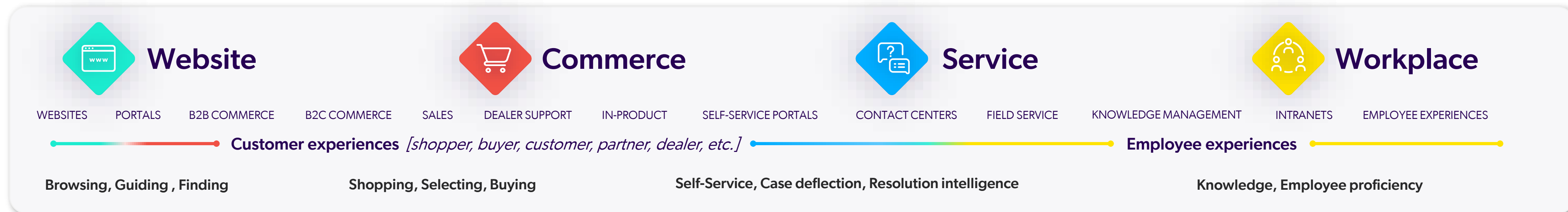
Why Coveo delivers the most remarkable experiences

Combining AI Search & Relevance-Augmented Generation

Coveo
Platform™
Composable AI Search & Generative Experience Platform

Engagement Apps layer – Points-of-Experience & Digital Journeys

[anonymous or authenticated]



Content & Data layer - [Structured data and unstructured content]

Unified AI-Relevance powers remarkable experiences for every user

Setting the new bar for the modern digital experience

Search, recommendations,
dynamic navigation, answering,
conversations, personalization
into **one integrated
relevance experience**

Dynamic navigation
Auto-facets, facets ranking
Disambiguation



Addressing the 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

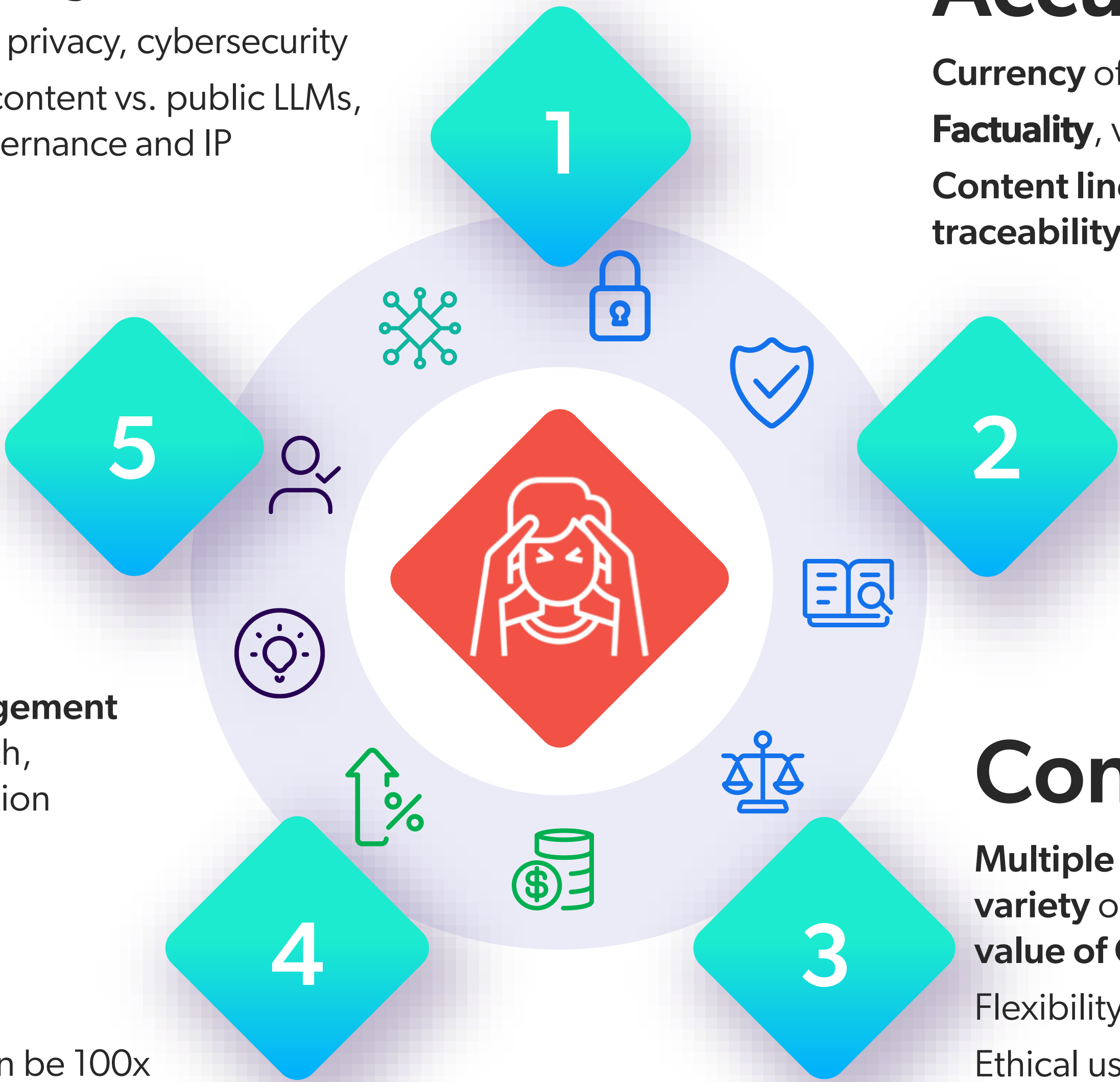
Relevancy for users
Unified "intent" and engagement experience combining search, answering, and disambiguation

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



Customers

Select Customer Wins and Progress: **Q1 FY25 Update**

Signed
over 30
generative AI
deals in total
since launch

GenAI lands
with **Trinity Life Sciences**
and a leading global
manufacturer of GPUs



Expand
transaction with
F5 Networks



**Last to hype,
first to results**

The Power of Coveo AI



↓5%

reduction in customer service cases

↓80%

reduction in the number of searches per customer visit

↓64%

decrease in content gaps



↑23%

click - through rate improvement in online commerce experiences



↑11%

improvement in self-service success rate



↑14%

improvement in self-service success rate in their customer community



The volume of queries from
**Relevance Generative
Answering™** has **increased
10x** since January 2024

GenAI Case Study: How **Generative Answering** Increases Self-Service Resolution by 20%

Opportunity

- Provide proactive support using a wealth of information already available
- Serve customers accurate answers faster with GenAI-driven search

Solution

- Leveraging the new Coveo Relevance Generative Answering in Xero Central, their global customer learning and support site
- Embedded citations offer source transparency and additional information
- Answers are generated from Xero's extensive support content, giving customers needed information faster
- Coveo index keeps security and access permissions intact per document
- To mitigate hallucinations, Coveo supplies Relevance Generative Answering with only relevant chunks of information to compose an answer that is customer-specific

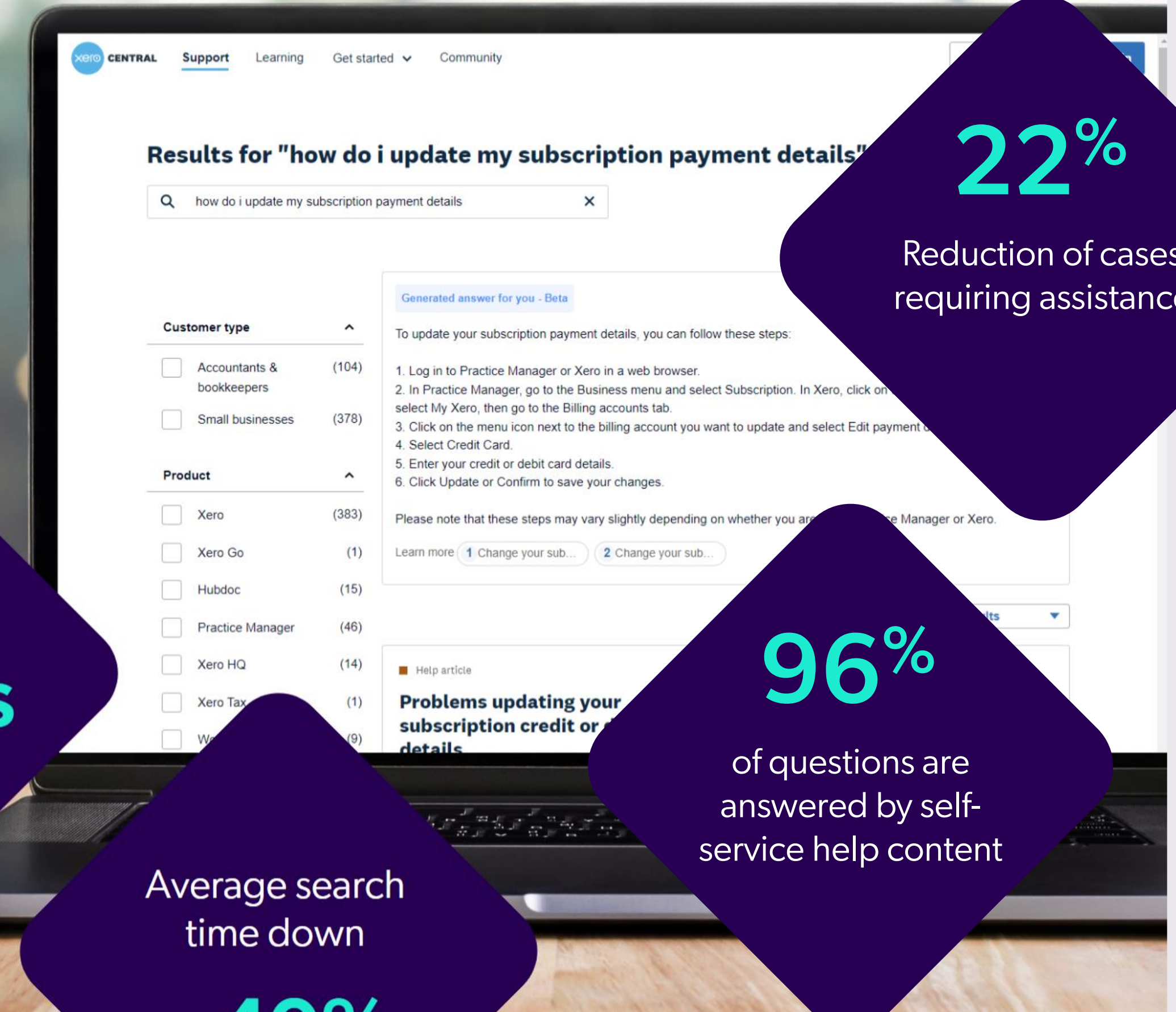
“Every time someone asks a question, every time we solve an opportunity for someone, they become sticky on our platform. They stay, and that’s a really great experience for us.”

— Nigel Piper, Executive General Manager, Xero



A global small business platform with 3.95 million subscribers, Xero helps small businesses spend less time in the books and get back to what they love.

Xero has been a customer of Coveo since 2017, using Coveo AI in multiple use cases from its Marketplace, to In-Product Experience, Agent Console and Xero Central, their customer self-service and learning portal, and more.



22%

Reduction of cases
requiring assistance

Achieved in
6 weeks

Average search
time down

~40%

96%

of questions are
answered by self-
service help content



Products

Solutions

Services

Support

how to update firmware utility on dell dock wd19 wd22 series

Sign InContact UsUS/ENCart

Support

Search Support

how to update firmware utility on dell dock wd19 wd22 series

Advanced Search Tips

Resources

Downloads & Drivers22,112

Forums687

Knowledgebase6,937

Manuals & Documents51,256

Dell Support by Topic29

Support Videos868

Product Category Selector

Search

Converged Infrastructure(1,361)

Data Center Infrastructure(487)

Data Protection(2,428)

Desktops & All-in-Ones(5,956)

Electronics & Accessories(3,205)

Language

English81,760

German31,994

French31,828

Spanish23,296

Brazilian Portuguese15,362

Last Updated

All Dates81,889

Within Last Day67

Within Last Week297

Within Last Month1,240

Within Last Year13,255

Your Filters:

Language: English

Clear filters

Results 1-10 of 81,889 for how to update firmware utility on dell dock wd19 wd22 series in 3.68 seconds

RELEVANCEDATE

Answer generated for you

To update the firmware utility on Dell Dock WD19 and WD22 series, you can follow these steps:

1. Go to the Dell support website (www.dell.com/support) and download the firmware update for your specific docking station model (e.g., WD19 or WD22).

2. Connect the docking station to your system.

3. Start the firmware update tool in administrative mode.

4. Enter all the required information in the various Graphical User Interface (GUI) panes.

5. Look for the "Update" button in the bottom-right corner of the tool and click on it.

6. Wait for the firmware update process to complete. You can monitor the progress using the progress bar displayed at the bottom of the tool.

7. Once the update is finished, the update status will be displayed above the payload information.

Please note that the specific steps may vary slightly depending on the exact model and version of the docking station. It is recommended to refer to the Dell Docking Station Administrator's Guide for detailed instructions and any additional technical information related to the firmware update process.

Want to dig in further? Read the detailed articles.

1 Dell Docking Statio...2 Dell Docking Statio...

Reformat

People also ask

WD19 Dock Error Message When Updating Firmware While Connected to UP2720Q Monitor

Download and install the Dell Docking Station WD19 or WD19S drivers

Updating the Docking Station firmware and drivers

Dell Docking Stations

DELL SUPPORT BY TOPIC

RECOMMENDED

Get help to set up your Dell docking station, install drivers, and update the firmware and other helpful resources to fix docking station issues.

Show More

Support for Dell Dock WD19

RECOMMENDED

Drivers & Downloads | Manuals and Documents | Warranty

How to Use and Troubleshoot Dell Docking Station WD19 and WD19S

KNOWLEDGEBASE

Learn how to setup, use, and troubleshoot Dell Docking Station WD19 and WD19S. Find information about drivers, setting up multiple monitors and troubleshooting steps to resolve common issues.

Last Modified: 04 Oct 2023Article ID: 000131784View More

WD19 series dock firmware update fails on computers with Windows 10 19H1 or higher

KNOWLEDGEBASE

WD19 series dock firmware update fails on system with Windows 10 19H1 or higher.

Last Modified: 04 Jun 2021Article ID: 000184585View More

Dell Dock WD19/WD22TB4 Firmware Update Utility | Driver Details

DOWNLOADS & DRIVERS

This package contains the firmware update for Dell Dock WD19 and WD22TB4. The dock firmware update package contains utility and firmware for updating the dock components. This update addresses Dell Security Advisories (DSA). A security advisory is a statement when a security vulnerability impacts a product, and a remedy is available for the vulnerability.

Show More

Dell Dock WD19/WD22TB4 Firmware Update Utility | Driver Details

DOWNLOADS & DRIVERS

This package contains the firmware update for Dell Dock WD19 and WD22TB4. The dock firmware update package contains utility and firmware for updating the dock components. This update addresses Dell Security Advisories (DSA). A security advisory is a statement when a security vulnerability impacts a product, and a remedy is available for the vulnerability.

Highlights

- Complex product documentation
Large, diverse, specialized
- Daily incremental refresh of embeddings
- Optimized parsing strategies
based on content type, format and source [beta]
- Multilingual Answers
Tier 1: FR, DE, ES, IT [beta]
Tier 2: PT, NL, KO, ZH, JA [future]

Generated answer
Accurate, relevant, secure, traceable

Citations and full lineage of content
traceability

LLM powered conversation –
suggested next best question

AI-relevance
search results

Dell
Coveo Search & Generative Answering

LCBO Challenge: Improving Digital Experience to Meet a Powerful Brand Promise

Specific challenges

- Large product catalog (34K+ products), from a vast number of international suppliers (76 countries)
- Basic site search requiring constant manual optimization
- Struggled with customer satisfaction due to inefficient search and product discovery
- Lack of personalization on site and unable to tailor experience based on context or interactions
- Need to modernize the digital experience to truly deliver on their vision

Adopting AI & personalization to drive a strong brand

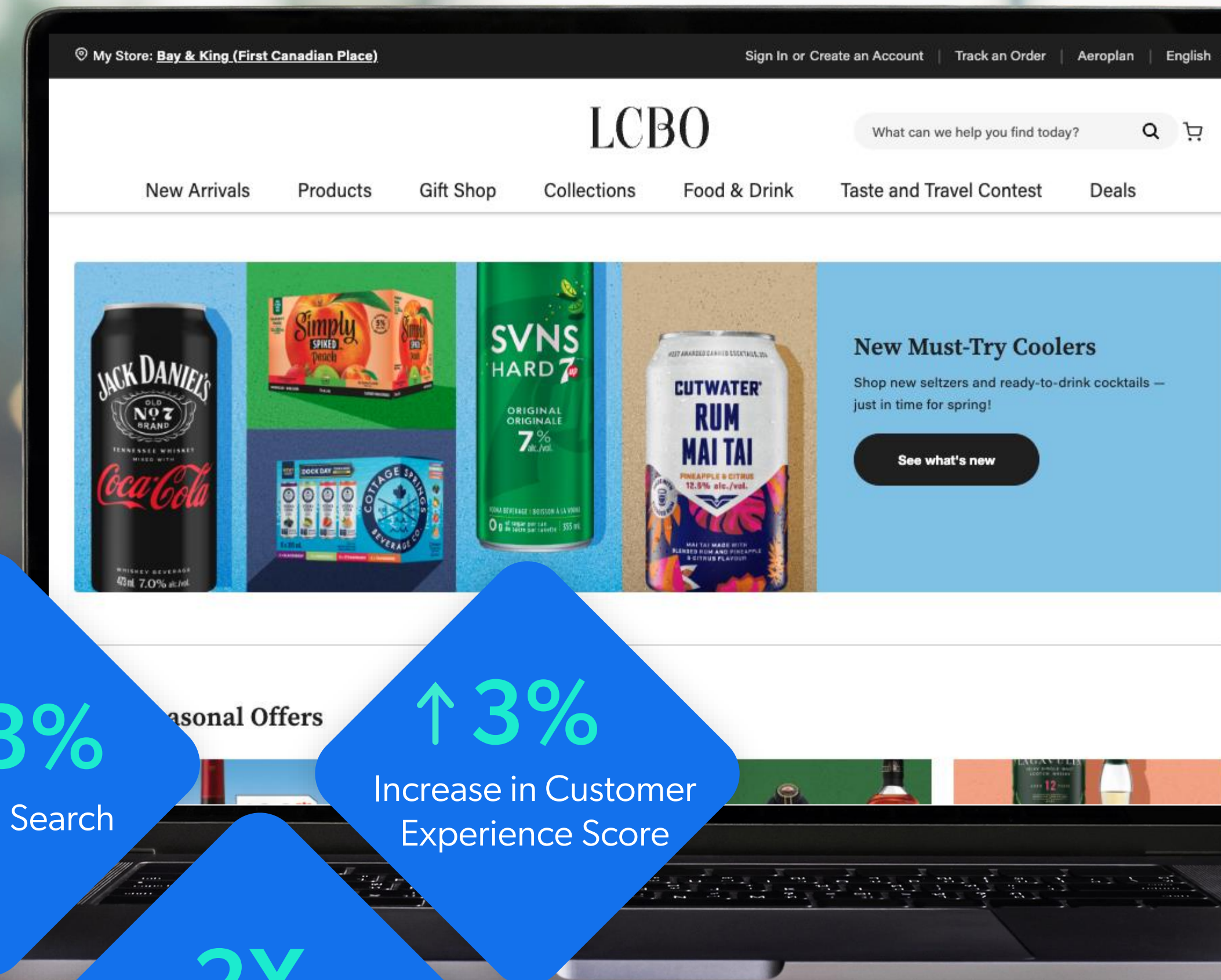
- Search | Navigation | Recommendations | Personalization
- Real-time stock availability | Localization context
- Product and content discovery to inspire and engage

Key outcomes

- Online conversion rate more than double with search
- 58% increase in click-thru rate to product pages from search
- Average click rank improved by 16 positions
- Significant customer satisfaction in site search and ease of finding products

LCBO

LCBO is one of the largest alcohol retailer & wholesaler globally.
680+ retail stores. 400+ LCBO convenience outlets . \$7 billion in annual revenue. 34,000+ products from 76 countries.



↑ 58%
CTR from Search

+16
positions
Improvement in
Search Rank

↑ 3%
Increase in Customer
Experience Score

2X
Conversion rate with
Search

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%**

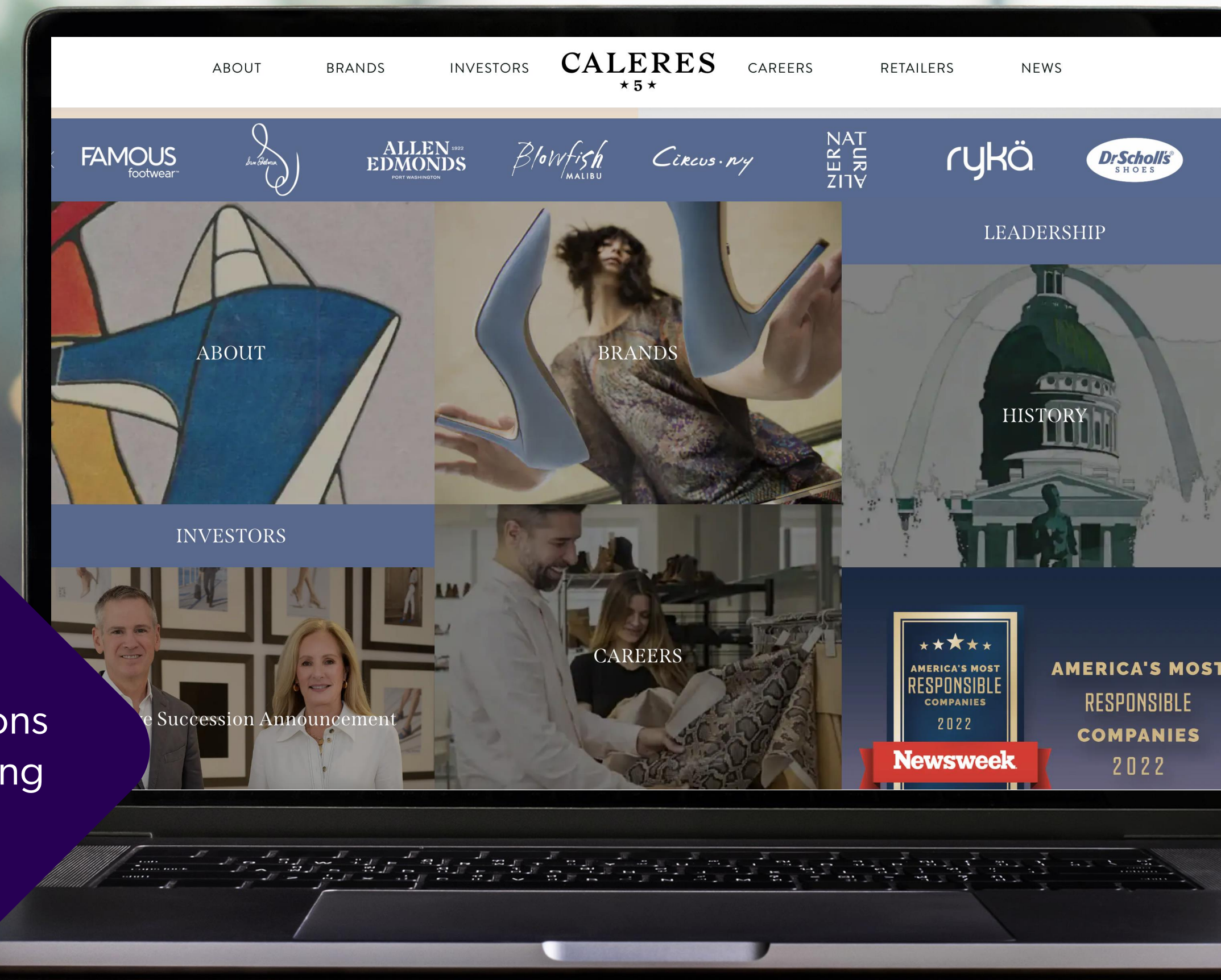
Lift in conversion rate
with onsite search

↑ **23%**

Increase in conversions
with Machine Learning
result ranking

CALERES

★ 5 ★



Financial Highlights

Our Business Model

- ▶ **Subscription-based revenue**
Contractually committed volumes for the entire term of the contract
- ▶ **Multi-year agreements**
Predominantly billed annual upfront
- ▶ **Enterprise customers**
\$175K+ average SaaS ACV / customer
- ▶ **Land and expand model**
Net Expansion Rate⁽¹⁾ of 106% as of June 30, 2024⁽²⁾

(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 such measure.

(2) Excludes the effect of SaaS Subscription revenue or SaaS ACV attributable to the Qubit Platform.

Q1 FY'25 Highlights

 **\$30.6M**

**Q1 FY'25 SaaS
Subscription Revenue⁽¹⁾**

 **12%⁽²⁾**

**Q1 FY'25 SaaS Subscription
Revenue⁽¹⁾ Growth**
(Coveo core Platform)
(Year-over-Year)

 **95%**

**Q1 FY'25 SaaS
Subscription Revenue⁽¹⁾**
(as a % of Total Revenue)

 **106%⁽²⁾**

Net Expansion Rate⁽¹⁾
(Coveo core Platform)
as of June 30, 2024

 **82%**

**Q1 FY'25 Product
Gross Margin**

 **\$3.0M**

Q1 FY'25 Cash Flows
from Operating Activities

(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) Excludes the effect of SaaS Subscription revenue or SaaS ACV attributable to the Qubit Platform.

Revenue Growth

USD millions	Q1 FY'25	Q1 FY'24	YoY
SaaS Subscription Revenue ⁽¹⁾	\$30.6	\$28.5	7%
Coveo core Platform ⁽²⁾	\$28.7	\$25.7	12%
Qubit Platform ⁽³⁾	\$1.9	\$2.9	(34%)
Professional Services Revenue	\$1.7	\$2.0	(17%)
Total Revenue	\$32.2	\$30.5	6%

- (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, and to our MD&A for the three-month period ended June 30, 2024 for additional disclosure relating thereto.
- (2) SaaS Subscription Revenue earned in connection with subscriptions by customers to the Coveo core Platform for the period, and thus excluding revenue from subscriptions to the Qubit Platform.
- (3) SaaS Subscription Revenue earned through subscriptions to the Qubit Platform for the period covered.

Gross Profit Measures

%	Q1 FY'25	Q1 FY'24
Gross Margin	78%	78%
Adjusted Gross Margin ⁽¹⁾	79%	79%
Product Gross Margin	82%	82%
Adjusted Product Gross Margin ⁽¹⁾	82%	83%

(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.

Profitability Measures

USD millions	Q1 FY'25	Q1 FY'24
Net Loss	(\$6.1)	(\$7.0)
Adjusted EBITDA ⁽¹⁾	(\$1.7)	(\$1.8)
Cash Flows from Operating Activities	\$3.0	\$1.0

(1) Adjusted EBITDA 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 Net Loss to Adjusted EBITDA" section in the Appendix for a definition of Adjusted EBITDA and a reconciliation to net loss.



Positive cash flow from operations in 4 of the past 5 quarters – over \$6 million in the trailing 12 months

Q2 FY'25 and Full Year **Guidance**

USD millions	Q2 FY'25	Full Year FY'25
SaaS Subscription Revenue ⁽¹⁾	\$30.6 – \$31.0	\$126.0 – \$130.0
Total Revenue	\$32.0 – \$32.4	\$133.0 – \$138.0
Adjusted EBITDA ⁽²⁾	(\$0.5) – \$0.0	\$0.0 – \$4.0

The company expects to achieve positive cash flow from operations of approximately \$10 million for Fiscal 2025.

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 7, 2024 announcing Coveo's first quarter earnings for fiscal year 2025 available under our profile on www.sedarplus.ca for a list of additional assumptions and hypothesis made in connection with our financial outlook (under "Financial Outlook Assumptions").

- (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, and to our MD&A for the year ended June 30, 2024 for additional disclosure relating thereto.
- (2) Adjusted EBITDA 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 EBITDA to Net Loss" section in the Appendix for a definition of Adjusted EBITDA and a reconciliation to net loss.

Compounding **growth** vectors

1 Grow existing customers

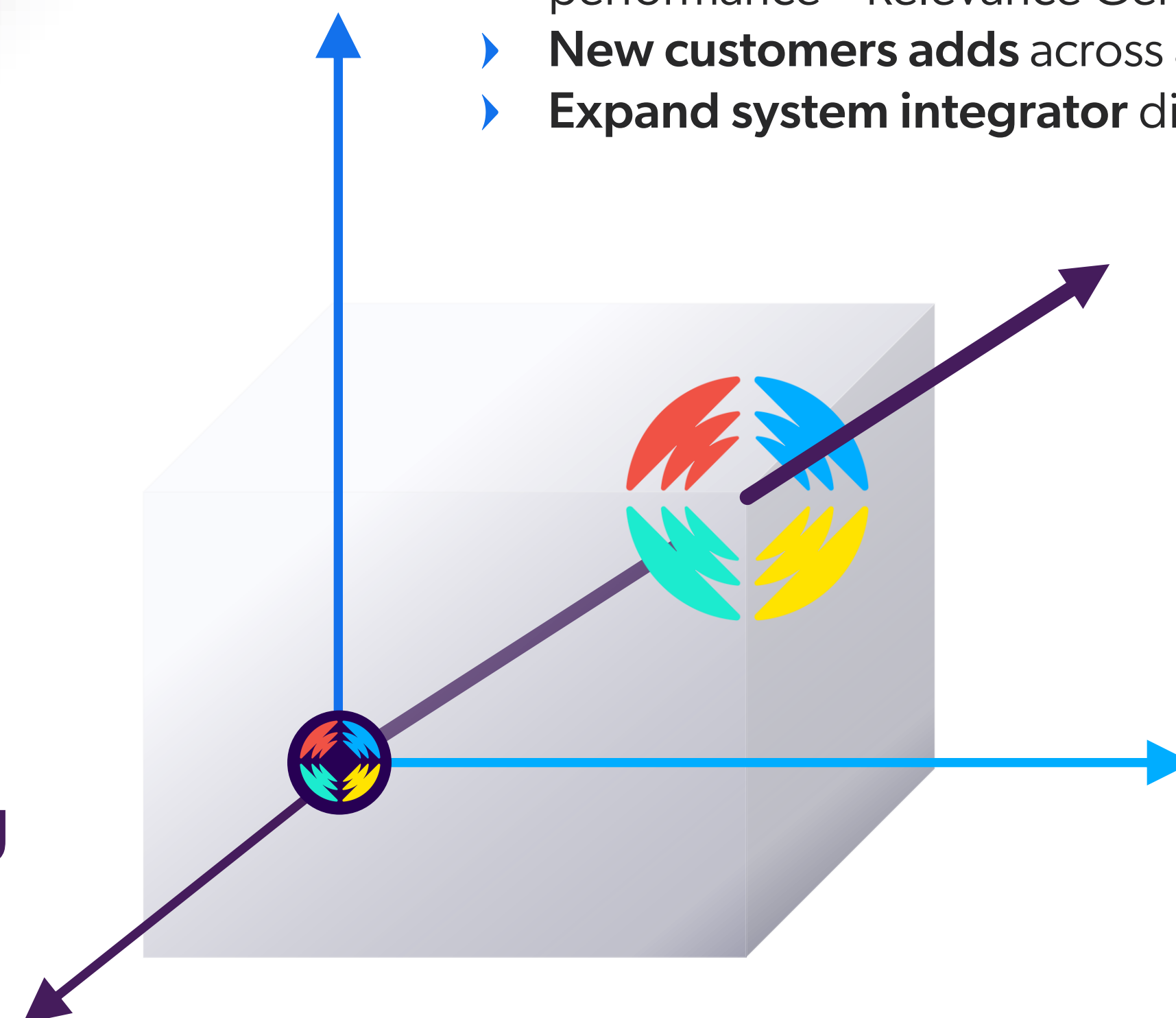
- **Relevance Augmented Generative Answering™**
- **Cross-sell new use cases** – 70% of customers use Coveo for a single use case
- **Enterprise-wide subscription** agreements

2 Grow in existing markets

- **SAP Endorsed App** partnership in Commerce
- **Commerce** - 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**



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 customer economics**

Strategic partnerships to help drive success

Cash flow positive and growing

Strong balance sheet to capitalize on opportunities

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,	
	2024	2023
	\$	\$
Revenue		
SaaS subscription	30,557	28,535
Professional services	1,660	1,997
Total revenue	32,217	30,532
Cost of revenue		
SaaS subscription	5,617	5,128
Professional services	1,354	1,544
Total cost of revenue	6,971	6,672
Gross profit	25,246	23,860
Operating expenses		
Sales and marketing	14,527	13,460
Research and product development	10,397	9,182
General and administrative	6,663	6,809
Depreciation of property and equipment	747	577
Amortization and impairment of intangible assets	725	1,006
Depreciation of right-of-use assets	378	395
Total operating expenses	33,437	31,429
Operating loss	(8,191)	(7,569)
Net financial revenue	(1,726)	(1,677)
Foreign exchange loss (gain)	(981)	1,004
Loss before income tax expense	(5,484)	(6,896)
Income tax expense	620	59
Net loss	(6,104)	(6,955)
Net loss per share – Basic and diluted	(0.06)	(0.07)
Weighted average number of shares outstanding – Basic and diluted	102,888,475	105,656,216

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Share-based payments and related expenses		
SaaS subscription cost of revenue	138	236
Professional services cost of revenue	39	163
Sales and marketing	929	40
Research and product development	1,487	1,556
General and administrative	1,772	1,752
Share-based payments and related expenses	4,365	3,747

Reconciliation of Net Loss to Adjusted EBITDA

(in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Net loss	(6,104)	(6,955)
Net financial revenue	(1,726)	(1,677)
Foreign exchange loss (gain)	(981)	1,004
Income tax expense	620	59
Share-based payments and related expenses ⁽¹⁾	4,365	3,747
Amortization and impairment of intangible assets	725	1,005
Depreciation expenses ⁽²⁾	1,125	973
Transaction-related expenses ⁽³⁾	274	-
Adjusted EBITDA	(1,702)	(1,844)

- (1) These expenses relate to issued stock options and share-based awards under our share-based plans to our employees and directors as well as related payroll taxes that are directly attributable to the share-based payments. These costs are included in product and professional services cost of revenue, sales and marketing, research and product development, and general and administrative expenses.
- (2) Depreciation expenses include depreciation of property and equipment and depreciation of right-of-use assets.
- (3) These expenses relate to professional, legal, consulting, accounting, advisory, and other fees relating to transactions that would otherwise not have been incurred. These costs are included in general and administrative expenses.

Adjusted EBITDA is defined as net loss, excluding interest, taxes, depreciation of property and equipment and right-of-use-assets, amortization and impairment of intangible assets (or EBITDA), adjusted for stock-based compensation and related expenses, foreign exchange gains and losses, 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 June 30,	
	2024	2023
	\$	\$
Total revenue	32,217	30,532
Gross profit	25,246	23,860
<i>Gross margin</i>	78%	78%
Add: Share-based payments and related expenses	177	399
Adjusted Gross Profit	25,423	24,259
<i>Adjusted Gross Margin</i>	79%	79%
Product revenue	30,557	28,535
Product cost of revenue	5,617	5,128
Product gross profit	24,940	23,407
<i>Product gross margin</i>	82%	82%
Add: Share-based payments and related expenses	138	236
Adjusted Product Gross Profit	25,078	23,643
<i>Adjusted Product Gross Margin</i>	82%	83%
Professional services revenue	1,660	1,997
Professional services cost of revenue	1,354	1,544
Professional services gross profit	306	453
<i>Professional services gross margin</i>	18%	23%
Add: Share-based payments and related expenses	39	163
Adjusted Professional Services Gross Profit	345	616
<i>Adjusted Professional Services Gross Margin</i>	21%	31%

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 payments 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 where product revenue represents SaaS subscription revenue and Adjusted Product Gross Profit represents SaaS subscription revenue less SaaS subscription costs of 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 June 30,	
	2024	2023
	\$	\$
Sales and marketing expenses	14,527	13,460
<i>Sales and marketing expenses (% of total revenue)</i>	45%	44%
Less: Share-based payments and related expenses	929	40
Adjusted Sales and Marketing Expenses	13,598	13,420
<i>Adjusted Sales and Marketing Expenses (% of total revenue)</i>	42%	44%
Research and product development expenses	10,397	9,182
<i>Research and product development expenses (% of total revenue)</i>	32%	30%
Less: Share-based payments and related expenses	1,487	1,556
Adjusted Research and Product Development Expenses	8,910	7,626
<i>Adjusted Research and Product Development Expenses (% of total revenue)</i>	28%	25%
General and administrative expenses	6,663	6,809
<i>General and administrative expenses (% of total revenue)</i>	21%	22%
Less: Share-based payments and related expenses	1,772	1,752
Less: Transaction-related expenses	274	-
Adjusted General and Administrative Expenses	4,617	5,057
<i>Adjusted General and Administrative Expenses (% of total revenue)</i>	14%	17%

“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)

	June 30, 2024	March 31, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	167,746	166,586
Trade and other receivables	30,733	29,947
Government assistance	5,226	9,987
Prepaid expenses	8,412	8,622
	212,117	215,142
Non-current assets		
Contract acquisition costs	9,835	10,168
Property and equipment	5,108	5,608
Intangible assets	7,999	8,710
Right-of-use assets	5,502	6,032
Deferred tax assets	3,370	4,265
Goodwill	25,985	25,960
Total assets	269,916	275,885
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	20,831	21,822
Deferred revenue	64,818	64,731
Current portion of lease obligations	2,089	2,153
Accrued liability for shares to be repurchased under substantial issuer bid	36,550	-
	124,288	88,706
Non-current liabilities		
Lease obligations	6,243	6,885
Deferred tax liabilities	1,620	1,771
Total liabilities	132,151	97,362
Shareholders' equity		
Share capital	838,279	836,271
Contributed surplus	42,447	40,484
Deficit	(698,959)	(655,598)
Accumulated other comprehensive loss	(44,002)	(42,634)
Total shareholders' equity	137,765	178,523
Total liabilities and shareholders' equity	269,916	275,885

Condensed Interim Consolidated Statements of Cash Flows

(in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2024	2023
	\$	\$
Cash flows from operating activities		
Net loss	(6,104)	(6,955)
Items not affecting cash		
Amortization of contract acquisition costs	1,091	1,159
Depreciation of property and equipment	747	577
Amortization and impairment of intangible assets	725	1,006
Depreciation of right-of-use assets	378	395
Share-based payments	4,865	3,454
Interest on lease obligations	116	141
Deferred income tax recovery	588	41
Unrealized foreign exchange loss (gain)	(1,082)	922
Changes in non-cash working capital items	1,705	268
	3,029	1,008
Cash flows used in investing activities		
Additions to property and equipment	(367)	(154)
Additions to intangible assets	(3)	-
	(370)	(154)
Cash flows used in financing activities		
Proceeds from exercise of stock options	588	325
Tax withholding for net share settlement	(976)	(372)
Payments on lease obligations	(638)	(552)
Substantial issuer bid transaction costs	(38)	(48)
	(1,064)	(647)
Effect of foreign exchange rate changes on cash and cash equivalents	(435)	2,510
Increase in cash and cash equivalents during the period	1,160	2,717
Cash and cash equivalents – beginning of period	166,586	198,452
Cash and cash equivalents – end of period	167,746	201,169
Cash	18,827	31,819
Cash equivalents	148,919	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.

“**Net Expansion Rate**” is calculated by considering a cohort of customers at the end of the period 12 months prior to the end of the period selected, and dividing the SaaS Annualized Contract Value (“**SaaS ACV**”, as defined below) attributable to that cohort at the end of the current period selected, by the SaaS ACV attributable to that cohort at the beginning of the period 12 months prior to the end of the period selected. Expressed as a percentage, the ratio:

- i. Excludes any SaaS ACV from new customers added during the 12 months preceding the end of the period selected;
- ii. Includes incremental SaaS ACV made to the cohort over the 12 months preceding the end of the period selected;
- iii. Is net of the SaaS ACV Value from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected; and
- iv. is currency neutral and as such, excludes the effect of currency variation.

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

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.