



Coveo Reports Second Quarter Fiscal 2027 Financial Results

*SaaS Subscription Revenue⁽¹⁾ of \$39.1 million
Record new business bookings driven by ongoing large deal momentum,
with two seven-figure per year transactions closed during the quarter
Announces acquisition of Anglera, a leading agentic product data enrichment engine*

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

MONTREAL, October 29, 2026 – [Coveo](#) (TSX: CVO), the Experience AI leader, delivering best-in-class search and generative experiences, today announced financial results for its second quarter of fiscal year 2027 ended September 30, 2026 and separately announced the acquisition of Anglera, a leading agentic product data enrichment engine company based in San Francisco and backed by Y Combinator.

"Two seven-figure per year transactions helped us achieve the strongest new business bookings quarter in our history," said Laurent Simoneau, Co-Founder and CEO of Coveo. "The commitment from leading organizations reinforces our strategic relevance in the enterprise AI market. Customers trust our platform to turn complex enterprise data into secure, relevant and high-performing AI experiences. To build on that momentum, we are excited to welcome Anglera to Coveo, adding agentic product data enrichment to our AI commerce capabilities."

"People now expect conversational and intelligent experiences with AI," said Louis Têtu, Coveo's Executive Chairman. "Enterprises can turn every intent into a better outcome, help millions of people buy confidently, technicians solve problems faster, help customers self-serve and workers be more effective. Not only does it set the new competitive gold standard; it drives tangible and measurable return on investment for our customers. This is Experience AI, and our ambition is to make Coveo the defining company of this fast-growing category."

Second Quarter Fiscal 2027 Summary Financial Highlights

The following table summarizes our financial results for the second quarter of fiscal year 2027:

<i>In millions of U.S. dollars, except as otherwise indicated</i>	Q2 2027	Q2 2026	Change	YTD FY2027	YTD FY2026	Change
SaaS Subscription Revenue ⁽¹⁾	\$39.1	\$35.9	9%	\$76.5	\$70.1	9%
Coveo core Platform ⁽²⁾	\$39.1	\$35.0	12%	\$76.5	\$68.1	12%
Qubit Platform ⁽³⁾	-	\$0.9	(100%)	-	\$2.0	(100%)
Total revenue	\$40.4	\$37.3	8%	\$79.0	\$72.9	8%
Gross margin	80%	79%	1%	79%	78%	1%
Product gross margin	82%	82%	-	81%	81%	-
Net loss	(\$3.1)	(\$4.4)	28%	(\$9.0)	(\$19.4)	54%
Adjusted EBITDA ⁽⁴⁾	\$2.0	\$0.6	257%	\$2.1	(\$1.4)	256%
Cash flows from operating activities	(\$14.9)	(\$10.8)	(38%)	(\$5.7)	(\$3.7)	(55%)

Second Quarter Fiscal 2027 Financial Highlights

(All comparisons are relative to the three-month period ended September 30, 2025, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$39.1 million, an increase of 9% compared to \$35.9 million in the prior period. With the full deprecation of the legacy Qubit platform, all SaaS Subscription Revenue came from the Coveo core Platform⁽²⁾, for which SaaS Subscription Revenue⁽¹⁾ increased by 12% compared to the prior period.
- Total revenue was \$40.4 million compared to \$37.3 million, an increase of 8%.
- Gross margin was 80% and Product gross margin was 82%, compared to 79% and 82%, respectively, in the prior period.
- Operating loss was \$3.0 million compared to \$6.7 million. Net loss was \$3.1 million compared to \$4.4 million in the prior period.
- Adjusted EBITDA⁽⁴⁾ was \$2.0 million compared to \$0.6 million in the prior period.
- Cash flows used in operating activities was \$14.9 million compared to \$10.8 million in the prior period, reflecting the seasonality of working capital.
- Cash and cash equivalents were \$82.7 million as of September 30, 2026.
- Net Expansion Rate⁽¹⁾ was 102% as of September 30, 2026. Net Expansion Rate⁽¹⁾ was 105% excluding customer attrition from customers using the legacy Qubit platform⁽⁵⁾, in each case, a sequential increase of 300 bps.

Other Business Developments:

- Coveo delivered the strongest new business bookings quarter in its history. Even when excluding the previously announced largest transaction ever, which closed early in the quarter, new business bookings would have represented the Company's strongest second quarter performance on record.
- Large deal momentum continued, with Coveo closing two seven-figure per year transactions in SaaS subscription during the quarter including the previously announced Fortune Global 500 technology company and Coles Supermarkets, one of Australia's largest full-service supermarket retailer, with multi-million customer transactions every day.
- Other customer wins and existing customer expansions included: A global commercial equipment parts distributor, a North American industrial gases and equipment supplier, US Foods, LG, Intel, NetApp, Tirlan, CelcomDigi, Rochester Regional, Zespri, Wesfarmers, Keller & Kalmbach, BOC Australia and several others.
- Generative AI solutions continue to show strong momentum, accounting for more than 50% of new business bookings in the quarter.
- During the quarter, Coveo continued to execute on its capital deployment strategy and bought back a total of 2,968,659 subordinate voting shares for cancellation, including 2,615,859 shares repurchased from an affiliate of Qatar Investment Authority at C\$3.75 per share (minus transaction fees), which resulted in the full exit of their position, for a total net repurchase price of approximately C\$9.6 million (\$6.9 million), and 352,800 shares repurchased through its normal course issuer bid for a total consideration of approximately C\$1.5 million (\$1.1 million).
- Coveo has made a change in its marketing leadership, with Pranshu Tewari departing as Chief Marketing Officer. A search for Mr. Tewari's replacement is under way.

Product and Innovation Highlights:

- Coveo announced separately and concurrently the acquisition of Anglera, a San Francisco based, Y Combinator backed, AI native company that operates an agentic product data enrichment engine. The acquisition combines Anglera's engine with Coveo's AI commerce search and product discovery platform, giving manufacturers, distributors and retailers one path from raw product data to products buyers can find, compare and buy, on their own sites and in AI assistants.
- Coveo's Conversational Product Discovery has successfully progressed from an early beta program to live deployments with a handful of customers. Initial traction has been very encouraging, with a growing pipeline spanning new customer opportunities and meaningful expand potential within the existing customer base.
- Coveo's Merchandising Agent, a key agentic capability within the Coveo Merchandising Hub, is also generating strong early adoption and engagement:
 - More than 70% of users engage with the product multiple times.
 - Approximately 50% of users apply the Agent's recommended actions.
 - More than 20% of storefront optimizations are now completed through automated agentic actions.
- Coveo's Forward Deployed Engineering initiative continues to gain momentum and is already making a contribution to the product innovation pipeline, while creating additional opportunities to strengthen customer expansion and retention.

Financial Outlook

Updated expectations for SaaS Subscription Revenue⁽¹⁾, Total Revenue, and Adjusted EBITDA⁽⁴⁾ for Q3 FY'27 and the Full Year FY'27 are as follows:

	Q3 FY'27	FY'27
SaaS Subscription Revenue ⁽¹⁾	\$39.7 – \$40.2 million	\$156.0 – \$158.0 million
Total Revenue	\$40.6 – \$41.1 million	\$160.0 – \$162.0 million
Adjusted EBITDA ⁽⁴⁾	\$1.0 – \$2.0 million	\$2.0 - \$7.0 million

The company expects to deliver operating cash flows of more than \$10 million for the full fiscal year.

These statements are forward-looking and actual results may differ materially. Coveo's outlook constitutes "financial outlook" within the meaning of applicable securities laws and is provided for the purpose of, among other things, assisting investors and others in understanding certain key elements of our expected financial results, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Investors and others are cautioned that it may not be appropriate for other purposes. Please refer to the "Forward-Looking Information" and "Financial Outlook Assumptions" sections below for additional information on the factors that could cause our actual results to differ materially from these forward-looking statements and a description of the assumptions underlying same.

Q2 Fiscal 2027 Conference Call and Webcast Information

Coveo will host a conference call today at 5:00 p.m. Eastern Time to discuss its financial results for the second quarter of fiscal year 2027 and its acquisition of Anglera. The call will be hosted by Laurent Simoneau, Co-Founder & Chief Executive Officer, Louis Têtu, Executive Chairman and Karine Hamel, Chief Financial Officer.

Conference Call: <https://emportal.ink/4iZQNHb>

Use the link above to join the conference call without operator assistance. If you prefer to have operator assistance, please dial: 1-888-699-1199

Live Webcast: <https://app.webinar.net/mwIkMPDMJOY>

Webcast Replay: ir.coveo.com under the “News & Events” section

Non-IFRS Financial Measures and Ratios

Coveo’s audited annual consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this press release includes non-IFRS financial measures and ratios, namely (i) Adjusted EBITDA; (ii) Adjusted Gross Profit, Adjusted Product Gross Profit, and Adjusted Professional Services Gross Profit (collectively referred to as our “Adjusted Gross Profit Measures”); (iii) Adjusted Gross Margin, Adjusted Product Gross Margin, and Adjusted Professional Services Gross Margin (collectively referred to as our “Adjusted Gross Margin Measures”); (iv) Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses (collectively referred to as our “Adjusted Operating Expense Measures”); and (v) Adjusted Sales and Marketing Expenses (%), Adjusted Research and Product Development Expenses (%), and Adjusted General and Administrative Expenses (%) (collectively referred to as our “Adjusted Operating Expense (%) Measures”). These measures and ratios are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures and ratios are provided as additional information to complement IFRS measures by providing further understanding of the company’s results of operations from management’s perspective.

Accordingly, these measures and ratios should not be considered in isolation nor as a substitute for analysis of the company’s financial information reported under IFRS. Adjusted EBITDA, the Adjusted Gross Profit Measures, the Adjusted Gross Margin Measures, the Adjusted Operating Expense Measures, and the Adjusted Operating Expense (%) Measures are used to provide investors with supplemental measures and ratios of the company’s operating performance and thus highlight trends in Coveo’s core business that may not otherwise be apparent when relying solely on IFRS measures and ratios. The company’s management also believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures and ratios in the evaluation of issuers. Coveo’s management uses non-IFRS financial measures and ratios in order to facilitate operating performance comparisons from period to period, and to prepare annual operating budgets and forecasts.

See the “Non-IFRS Financial Measures and Ratios and Reconciliation of Non-IFRS Financial Measures and Ratios” section of our MD&A for the quarter ended September 30, 2026, which is available as of the date hereof under our profile on SEDAR+ at www.sedarplus.ca for a description of these measures. Please refer to the financial tables appended to this press release for additional information including a reconciliation of (i) Adjusted EBITDA to net loss; (ii) Adjusted Gross Profit to gross profit; (iii) Adjusted Product Gross Profit to product gross profit; (iv) Adjusted Professional Services Gross Profit to professional services gross profit; (v) Adjusted Sales and Marketing Expenses to sales and marketing expenses; (vi) Adjusted Research and Product Development Expenses to research and product development expenses; and (vii) Adjusted General and Administrative Expenses to general and administrative expenses.

Key Performance Indicators

This press release refers to “SaaS Subscription Revenue” and “Net Expansion Rate”. They are key performance indicators and operating metrics used in Coveo’s industry. We monitor our key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans, and make strategic decisions. Our key performance indicators provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use industry metrics in the evaluation of issuers. Certain of our key performance indicators are measures that do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other issuers and cannot be reconciled to a directly comparable IFRS measure. Our key performance indicators may be calculated and designated in a manner different than similar key performance indicators used by other companies.

“SaaS Subscription Revenue” means the company’s SaaS subscription revenue, 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; (iii) is net of the SaaS ACV 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 section and throughout this press release, “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.

Forward-Looking Information

This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including with respect to Coveo’s “financial outlook” (within the meaning of applicable securities laws) and related assumptions (as set forth below and elsewhere in this press release) for the three months ending December 31, 2026 and the year ending March 31, 2027 (for greater certainty, for operating cash flows, solely the year ending March 31, 2027) collectively, “forward-looking information”). This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “might”, “will”, “achieve”, “occur”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “target”, “opportunity”, “strategy”, “scheduled”, “outlook”, “forecast”, “projection”, or “prospect”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. In addition, any statements that refer to expectations, intentions, projections, or other characterizations of future events or circumstances contain forward-looking information. Statements

containing forward-looking information are not historical facts but instead represent management's expectations, estimates, and projections regarding future events or circumstances.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions (including those discussed under "Financial Outlook Assumptions" below and those discussed immediately hereunder) that we considered appropriate and reasonable as of the date such statements are made. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, actual results may vary from the forward-looking information contained herein. Certain assumptions made in preparing the forward-looking information contained in herein include, without limitation (and in addition to those discussed under "Financial Outlook Assumptions" below): our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; our ability to expand our relationships with existing customers, and have existing customers renew their subscriptions; the success of our efforts to expand our product portfolio and market reach; our ability to maintain successful strategic relationships with partners and other third parties; market awareness and acceptance of enterprise artificial intelligence ("AI") solutions in general and our products in particular; the market penetration of our generative AI and other new solutions, both with new and existing customers, and our ability to continue to capture the AI opportunities; assumptions regarding our future capital requirements, and availability of capital generally; the accuracy of our estimates of market opportunity, growth forecasts, and expectations around operating cash flows; our success in identifying and evaluating, as well as financing and integrating, any acquisitions, partnerships, or joint ventures, including in respect of our acquisition of Anglera announced today the significant influence of our principal shareholders; our ability to generate pipeline, and to convert pipeline into bookings, and the timeframe thereof; and our ability to execute on our expansion and growth plans more generally. Moreover, forward-looking information is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, that may cause the actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to macro-economic uncertainties, market disruption and volatility arising from concerns that AI-related companies are overvalued and that significant investments in AI infrastructure may not generate expected returns, and the risk factors described under "Risk Factors" in the company's most recently filed Annual Information Form and under "Key Factors Affecting our Performance" in the company's most recently filed MD&A, both available under our profile on SEDAR+ at www.sedarplus.ca. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

You should not rely on this forward-looking information, as actual outcomes and results may differ materially from those contemplated by this forward-looking information as a result of such risks and uncertainties. Additional information will also be set forth in other public filings that we make available under our profile on SEDAR+ at www.sedarplus.ca from time to time. The forward-looking information provided in this press release relates only to events or information as of the date hereof, and is expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Financial Outlook Assumptions

Our financial outlook under the “Financial Outlook” section above and elsewhere in this press release is based on several assumptions, including the following, in addition to those set forth under the “Financial Outlook” section above and under the “Forward-Looking Information” section above:

- Achieving expected levels of sales of SaaS subscriptions to new and existing customers, including the timing of those sales between the first and second half, as well as expected levels of renewals of SaaS subscriptions with existing customers.
- Maintaining gross retention rates⁽⁶⁾ at their expected levels.
- Achieving expected levels of implementations and other sources of professional services revenue.
- Maintaining planned levels of operating margin represented by our Adjusted Gross Profit Measures⁽⁴⁾ and Adjusted Gross Margin Measures⁽⁷⁾.
- Customer buying behaviors remaining consistent with behaviors observed during first half of fiscal year 2027, including as it relates to customer spending and sales cycle length.
- Our ability to attract and retain key personnel required to achieve our plans.
- Foreign exchange rates environment remaining consistent with end of Q2 fiscal year 2027 levels, and similar or better inflation rates, interest rates, customer spending, and other macro-economic conditions.
- Our ability to collect from our customers as planned, and to otherwise manage our cash inflows (including government grants and tax credits) and outflows as we currently expect.
- Expected financial performance as measured by our Adjusted Operating Expense Measures⁽⁴⁾ and Adjusted Operating Expense (%) Measures⁽⁷⁾.
- Our ability to continue to successfully manage expenses in line with our plans.
- Our ability to integrate Anglera’s technology platform, systems, personnel and customer relationships into Coveo’s operations; retain key employees and customers; and achieve the anticipated benefits of the acquisition, including any expected product, sales or market expansion opportunities.

Our financial outlook does not include the impact of acquisitions that may be announced or closed from time to time.

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Notes to this press release:

- (1) SaaS Subscription Revenue and Net Expansion Rate are Key Performance Indicators of Coveo. Please see the “Key Performance Indicators” section above.
- (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 legacy Qubit platform.
- (3) SaaS Subscription Revenue earned through subscriptions to the legacy Qubit platform for the period covered.
- (4) The Adjusted Gross Profit Measures, the Adjusted Operating Expense Measures, and Adjusted EBITDA are non-IFRS financial measures which may not be comparable to similar measures or ratios used by other companies. Please see the “Non-IFRS Financial Measures and Ratios” section above and the reconciliation tables within this release.

- (5) Net Expansion Rate excluding the effect of SaaS ACV attributable to subscriptions to the legacy Qubit platform.
- (6) Gross retention rate ("GRR") is generally calculated for a period by subtracting SaaS ACV contractions and losses over the period selected from SaaS ACV at the beginning of the period selected and dividing the result by the SaaS ACV from the beginning of the period selected. We use GRR to provide insight into the company's success in retaining existing customers.
- (7) The Adjusted Gross Margin Measures, the Adjusted Operating Expense (%) Measures, and Adjusted Product Gross Margin are non-IFRS ratios. Please see the "Non-IFRS Financial Measures and Ratios" section above and the reconciliation tables within this release.

About Coveo

Coveo helps enterprises win in the Experience AI economy, where AI powers relevant and personalized experiences that people love and that drive better business outcomes.

AI alone doesn't understand a company's business. Coveo does. By grounding AI-driven experiences in trusted enterprise context, Coveo connects people's intent with the right products, content, and knowledge, using business rules to align results with business priorities. It does this through AI-Relevance technology: search, recommendations, conversational experiences, and agentic discovery.

Coveo turns every moment of intent into better experiences at scale. For enterprises across manufacturing, distribution, complex retail, and other knowledge-intensive industries, that means helping people discover and compare products, make confident purchases, find trusted answers, diagnose problems, repair equipment, and get work done faster.

The result: more conversions and sales, greater self-service, lower costs, and increased productivity.

Learn more at coveo.com. Stay up to date on the latest Coveo news by subscribing to the [Coveo blog](#) and following Coveo on [LinkedIn](#) and [YouTube](#).

Contact Information

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Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data)

	Three months ended September 30		Six months ended September 30,	
	2026	2025	2026	2025
			\$	\$
Revenue				
SaaS subscription	39,149	35,902	76,510	70,052
<i>Coveo core Platform</i>	39,149	34,955	76,510	68,080
<i>Qubit Platform</i>	-	947	-	1,972
Professional services	1,289	1,435	2,476	2,830
Total revenue	40,438	37,337	78,986	72,882
Cost of revenue				
SaaS subscription	7,014	6,534	14,229	13,031
Professional services	1,163	1,387	2,456	3,009
Total cost of revenue	8,177	7,921	16,685	16,040
Gross profit	32,261	29,416	62,301	56,842
Operating expenses				
Sales and marketing	17,457	17,942	34,796	37,055
Research and product development	9,993	10,058	21,206	20,576
General and administrative	6,448	6,592	13,458	13,710
Depreciation of property and equipment	371	541	761	1,159
Amortization of intangible assets	470	468	939	929
Depreciation of right-of-use assets	528	493	1,063	965
Total operating expenses	35,267	36,094	72,223	74,394
Operating loss	(3,006)	(6,678)	(9,922)	(17,552)
Net financial revenue	(575)	(1,062)	(1,173)	(2,223)
Foreign exchange loss (gain)	264	(1,950)	(726)	3,459
Loss before income tax expense	(2,695)	(3,666)	(8,023)	(18,788)
Income tax expense (recovery)	451	723	932	653
Net loss	(3,146)	(4,389)	(8,955)	(19,441)
Net loss per share – Basic and diluted	(0.03)	(0.05)	(0.10)	(0.20)
Weighted average number of shares outstanding – Basic & diluted	92,906,164	95,915,010	92,868,520	96,052,155

Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data)

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

	Three months ended September 30,		Six months ended September 30,	
	2026	2025	2026	2025
			\$	\$
Share-based payments and related expenses				
SaaS subscription cost of revenue	130	364	345	674
Professional services cost of revenue	87	149	243	360
Sales and marketing	1,217	1,796	2,897	4,215
Research and product development	1,005	1,462	2,763	3,411
General and administrative	1,180	1,975	2,970	4,471
Share-based payments and related expenses	3,619	5,746	9,218	13,131

Reconciliation of Net Loss to Adjusted EBITDA
(expressed in thousands of U.S. dollars)

	Three months ended September 30,		Six months ended September 30,	
	2026	2025	2026	2025
			\$	\$
Net loss	(3,146)	(4,389)	(8,955)	(19,441)
Net financial revenue	(575)	(1,062)	(1,173)	(2,223)
Foreign exchange loss (gain)	264	(1,950)	(726)	3,459
Income tax expense (recovery)	451	723	932	653
Share-based payments and related expenses ⁽¹⁾	3,619	5,746	9,218	13,131
Amortization and impairment of intangible assets	470	468	939	929
Depreciation expenses ⁽²⁾	899	1,034	1,824	2,124
Transaction-related expenses ⁽³⁾	53	0	70	0
Adjusted EBITDA	2,035	570	2,129	(1,368)

(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.

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures
(expressed in thousands of U.S. dollars)

	Three months ended September 30,		Six months ended September 30,	
	2026	2025	2026	2025
			\$	\$
Total revenue	40,438	37,337	78,986	72,882
Gross profit	32,261	29,416	62,301	56,842
<i>Gross margin</i>	80%	79%	79%	78%
Add: Share-based payments and related expenses	217	513	588	1,034
Adjusted Gross Profit	32,478	29,929	62,889	57,876
<i>Adjusted Gross Margin</i>	80%	80%	80%	79%
Product revenue	39,149	35,902	76,510	70,052
Product cost of revenue	7,014	6,534	14,229	13,031
Product gross profit	32,135	29,368	62,281	57,021
<i>Product gross margin</i>	82%	82%	81%	81%
Add: Share-based payments and related expenses	130	364	345	674
Adjusted Product Gross Profit	32,265	29,732	62,626	57,695
<i>Adjusted Product Gross Margin</i>	82%	83%	82%	82%
Professional services revenue	1,289	1,435	2,476	2,830
Professional services cost of revenue	1,163	1,387	2,456	3,009
Professional services gross profit (loss)	126	48	20	(179)
<i>Professional services gross margin</i>	10%	3%	1%	(6%)
Add: Share-based payments and related expenses	87	149	243	360
Adjusted Professional Services Gross Profit	213	197	263	181
<i>Adjusted Professional Services Gross Margin</i>	17%	14%	11%	6%

Reconciliation of Adjusted Operating Expense Measures and Adjusted Operating Expense (%)
Measures
(expressed in thousands of U.S. dollars)

	Three months ended September 30,		Six months ended September 30,	
	2026	2025	2026	2025
			\$	\$
Sales and marketing expenses	17,457	17,942	34,796	37,055
<i>Sales and marketing expenses (% of total revenue)</i>	43%	48%	44%	51%
Less: Share-based payments and related expenses	1,217	1,796	2,897	4,215
Adjusted Sales and Marketing Expenses	16,240	16,146	31,899	32,840
<i>Adjusted Sales and Marketing Expenses (% of total revenue)</i>	40%	43%	40%	45%
Research and product development expenses	9,993	10,058	21,206	20,576
<i>Research and product development expenses (% of total revenue)</i>	25%	27%	27%	28%
Less: Share-based payments and related expenses	1,005	1,462	2,763	3,411
Adjusted Research and Product Development Expenses	8,988	8,596	18,443	17,165
<i>Adjusted Research & Product Development Expenses (% of total revenue)</i>	22%	23%	23%	24%
General and administrative expenses	6,448	6,592	13,458	13,710
<i>General and administrative expenses (% of total revenue)</i>	16%	18%	17%	19%
Less: Share-based payments and related expenses	1,180	1,975	2,970	4,471
Less: Transaction-related expenses	53,	-	70	-
Adjusted General and Administrative Expenses	5,215	4,617	10,418	9,239
<i>Adjusted General and Administrative Expenses (% of total revenue)</i>	13%	12%	13%	13%

Consolidated Statements of Financial Position
(expressed in thousands of U.S. dollars)

	September 30, 2026	March 31, 2026
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	82,696	101,914
Trade and other receivables	43,281	35,224
Government assistance	9,614	6,292
Prepaid expenses	7,742	9,129
	143,333	152,559
Non-current assets		
Contract acquisition costs	13,940	13,744
Property and equipment	3,014	3,199
Intangible assets	425	1,344
Right-of-use assets	11,858	13,127
Deferred tax assets	1,709	2,343
Goodwill	26,751	26,650
Total assets	201,030	212,966
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	23,611	19,688
Deferred revenue	83,254	86,062
Current portion of lease obligations	1,640	1,920
Accrued liability for shares to be repurchased under automatic securities purchase plan	9,522	-
	118,027	107,670
Non-current liabilities		
Lease obligations	12,263	13,320
Total liabilities	130,290	120,990
Shareholders' Equity		
Share capital	714,258	735,533
Contributed surplus	118,933	99,443
Deficit	(716,898)	(698,230)
Accumulated other comprehensive loss	(45,553)	(44,770)
Total shareholders' equity	70,740	91,976
Total liabilities and shareholders' equity	201,030	212,966

Condensed Interim Consolidated Statements of Cash Flows
(expressed in thousands of U.S. dollars, unaudited)

	Six months ended September 30,	
	2026	2025
	\$	\$
Cash flows from operating activities		
Net loss	(8,955)	(19,441)
Items not affecting cash		
Amortization of contract acquisition costs	2,846	2,404
Depreciation of property and equipment	761	1,159
Amortization and impairment of intangible assets	939	929
Depreciation of right-of-use assets	1,063	965
Share-based payments	8,699	11,797
Interest on lease obligations	417	204
Deferred income tax expense (recovery)	638	576
Unrealized foreign exchange loss (gain)	(860)	3,311
Changes in operating assets and liabilities	(11,289)	(5,603)
	(5,741)	(3,699)
Cash flows used in investing activities		
Additions to property and equipment	(476)	(534)
Additions to intangible assets	(7)	(23)
	(483)	(557)
Cash flows used in financing activities		
Proceeds from exercise of stock options	239	941
Tax withholding for net share settlement	(3,041)	(2,862)
Payments on lease obligations	(1,512)	(1,389)
Shares repurchased and cancelled	(8,438)	(9,554)
Shares repurchased for settlement of share-based awards	(228)	-
	(12,980)	(12,864)
Effect of foreign exchange rate changes on cash and cash equivalents	(14)	591
Decrease in cash and cash equivalents during the period	(19,218)	(16,529)
Cash and cash equivalents – beginning of period	101,914	124,752
Cash and cash equivalents – end of period	82,696	108,223
Cash	50,084	57,730
Cash equivalents	32,612	50,493