# Coveo Reports First Quarter Fiscal 2027 Financial Results

*SaaS Subscription Revenue[1] of $37.4 million*
*Success of platform-wide motion continues, with closing of 7-digit Commerce expansion with existing Knowledge customer*
*Closed the largest transaction in Coveo history following quarter end*

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

**MONTREAL, July 30, 2026** – Coveo (TSX: CVO), the leader in AI-Relevance, delivering best-in-class search and generative experiences, today announced financial results for its first quarter of fiscal year 2027 ended June 30, 2026.

"Our first quarter reflected continued customer adoption across our core solution areas and further demonstrated the strategic role Coveo is playing as enterprises scale their AI initiatives," said Laurent Simoneau, Co-Founder and CEO of Coveo. "In addition, shortly after quarter end, we signed the largest transaction in Coveo's history with a Fortune Global 500 technology leader. This customer now relies on Coveo across multiple strategic AI experiences, spanning customer-facing and internal AI applications, demonstrating the breadth of our platform. This expansion, together with the momentum we continue to see across our pipeline, reinforces that there is growing demand for AI solutions that deliver secure, relevant and contextual experiences at enterprise scale."

"AI without context simply does not work" said Louis Têtu, Executive Chairman of Coveo. "The enterprise AI market is entering a new phase, where organizations are focused on delivering real business outcomes through exceptional AI-powered experiences. Those experiences can only be achieved when AI is grounded in trusted enterprise context, governed securely and continuously optimized for relevance. In the Experience AI era, enterprises must take ownership of every experience they provide to their customers, partners and employees. Coveo's platform is purpose-built to help them deliver that, by enabling organizations to deliver personalized AI experiences, at scale, across countless use cases and virtually every experience touchpoint."

## First Quarter Fiscal 2027 Summary Financial Highlights

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

| *In millions of U.S. dollars, except as otherwise indicated* | Q1 2027 | Q1 2026 | Change |
|---|---|---|---|
| SaaS Subscription Revenue[1] | $37.4 | $34.2 | 9% |
| Coveo core Platform[2] | $37.4 | $33.1 | 13% |
| Qubit Platform[3] | - | $1.0 | (100%) |
| Total revenue | $38.5 | $35.5 | 8% |
| Gross margin | 78% | 77% | 1% |
| Product gross margin | 81% | 81% | - |
| Net loss | ($5.8) | ($15.1) | 61% |
| Adjusted EBITDA[4] | $0.1 | ($1.9) | 105% |
| Cash flows from operating activities | $9.2 | $7.1 | 29% |

## First Quarter Fiscal 2027 Financial Highlights

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

- SaaS Subscription Revenue[1] of $37.4 million, an increase of 9% compared to $34.2 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], which saw an increase of 13% compared to the prior period.
- Total revenue was $38.5 million compared to $35.5 million, an increase of 8%.
- Gross margin was 78% and Product gross margin was 81%, compared to 77% and 81%, respectively, in the prior period.
- Operating loss was $6.9 million compared to $10.9 million. Net loss was $5.8 million compared to $15.1 million in the prior period.
- Adjusted EBITDA[4] was $0.1 million compared to ($1.9) million in the prior period.
- Cash flows from operating activities was $9.2 million compared to $7.1 million in the prior period.
- Cash and cash equivalents were $107.1 million as of June 30, 2026.
- Net Expansion Rate[1] was 99% as of June 30, 2026. Net Expansion Rate[1] was 102% excluding customer attrition from customers using the legacy Qubit platform[5].

## Other Business and Subsequent Developments:

- Following quarter-end, Coveo closed the largest transaction in its history with a Fortune Global 500 technology company, bringing the total annualized SaaS subscription spend of the customer to 8 figures.
- New business bookings remained diversified across our primary solution areas, with B2B Commerce continuing to demonstrate traction.
- During Q1, Coveo secured another seven-figure new business bookings expansion transaction with a Fortune 500 distributor of healthcare products. This customer now has several use cases with Coveo in both Knowledge and Commerce.
- AI is an integral part of nearly every new customer opportunity, with Coveo's GenAI capabilities featured in almost every new customer discussion. GenAI solutions represented a significant portion of new business bookings during the quarter and continued to demonstrate strong expansion and retention dynamics.

- New and existing customer wins included: Nespresso, Linde AG, Enbridge, Conforama Iberia, Fleetpride, Forcepoint, Familiprix, Brandbank Group, Littelfuse and several others.
- On July 15, 2026 Coveo renewed its normal course issuer bid to purchase for cancellation up to a maximum of 5,101,789 subordinate voting shares over the twelve-month period commencing on July 17, 2026. Coveo further renewed its automatic securities purchase plan with a designated broker.

Product and Innovation Highlights:

- Coveo innovations in agentic AI, both in search and in discovery, are gaining momentum:
    - Conversational Search, powered by Coveo Search Agents, is now live in production with five customers and is being evaluated by dozens of additional customers, reflecting strong customer interest and a growing deployment pipeline through the remainder of the year.
    - Interest in the recently launched Conversational Product Discovery is tangible, with several customers currently onboarding and expected to be live over the near-term, and others progressing through various stages of evaluation.
- Additionally, Coveo launched Merchandising Copilot, an agentic assistant built directly into Coveo's Merchandising Hub, designed to transform the merchandising workflow. Using natural language, merchandisers can ask questions to gain insights into their setup and metrics, and the Merchandising Copilot autonomously prepares suggested configuration changes across the Hub's product discovery solutions. Several customers are already live with this capability.
- Coveo was named a "Leader" in the 2026 Gartner® Magic Quadrant™ for Search and Product Discovery. Coveo was noted as one of the only vendors capable of supporting a wide range of enterprise commerce use cases across both B2C and B2B environments.

## Financial Outlook

Expectations for SaaS Subscription Revenue(1), Total Revenue, and Adjusted EBITDA(4) for Q2 FY'27 and the Full Year FY'27 are as follows:

| | Q2 FY'27 | FY'27 |
|---|---|---|
| **SaaS Subscription Revenue(1)** | $38.5 – $39.0 million | $154.0 – $158.0 million |
| **Total Revenue** | $39.7 – $40.2 million | $160.0 – $164.0 million |
| **Adjusted EBITDA(4)** | $0.5 – $1.5 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.

## Q1 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 first quarter of fiscal year 2027. 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/4vHa7MO<br>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/BE9xLBvLOMN |
| **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 three-month period ended June 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 September 30, 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; 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 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 fiscal year 2026 and Q1 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 Q1 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 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 brings superior AI-Relevance to every point-of-experience, transforming how enterprises connect with their customers and employees to maximize business outcomes.

Relevance is about moving from persona to person, the degree to which the enterprise-wide content, products, recommendations, and advice presented to a person online aligns easily with their context, needs, preferences, behavior and intent, setting the competitive experience gold standard. Every person's journey is unique, and only AI can solve the complexity of tailoring experiences across massive, diverse audiences and large volumes and variety of content and products.

Stay up to date on the latest Coveo news and content by subscribing to the Coveo blog, and following Coveo on LinkedIn, X, 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 June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Revenue** | | |
| SaaS subscription | 37,361 | 34,150 |
| *Coveo core Platform* | *37,361* | *33,125* |
| *Qubit Platform* | - | *1,025* |
| Professional services | 1,187 | 1,395 |
| **Total revenue** | **38,548** | **35,545** |
| | | |
| **Cost of revenue** | | |
| SaaS subscription | 7,215 | 6,497 |
| Professional services | 1,293 | 1,622 |
| Total cost of revenue | 8,508 | 8,119 |
| **Gross profit** | **30,040** | **27,426** |
| | | |
| **Operating expenses** | | |
| Sales and marketing | 17,339 | 19,113 |
| Research and product development | 11,213 | 10,518 |
| General and administrative | 7,010 | 7,118 |
| Depreciation of property and equipment | 390 | 618 |
| Amortization of intangible assets | 469 | 461 |
| Depreciation of right-of-use assets | 535 | 472 |
| **Total operating expenses** | **36,956** | **38,300** |
| **Operating loss** | **(6,916)** | **(10,874)** |
| | | |
| Net financial revenue | (598) | (1,161) |
| Foreign exchange loss (gain) | (990) | 5,409 |
| **Loss before income tax expense** | **(5,328)** | **(15,122)** |
| Income tax expense (recovery) | 481 | (70) |
| **Net loss** | **(5,809)** | **(15,052)** |
| Net loss per share – Basic and diluted | (0.06) | (0.16) |
| Weighted average number of shares outstanding – Basic & diluted | 92,830,463 | 96,190,808 |

## 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 June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Share-based payments and related expenses** | | |
| SaaS subscription cost of revenue | 215 | 310 |
| Professional services cost of revenue | 156 | 211 |
| Sales and marketing | 1,680 | 2,419 |
| Research and product development | 1,758 | 1,949 |
| General and administrative | 1,790 | 2,496 |
| **Share-based payments and related expenses** | **5,599** | **7,385** |

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

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Net loss** | (5,809) | (15,052) |
| Net financial revenue | (598) | (1,161) |
| Foreign exchange loss (gain) | (990) | 5,409 |
| Income tax expense (recovery) | 481 | (70) |
| Share-based payments and related expenses(1) | 5,599 | 7,385 |
| Amortization and impairment of intangible assets | 469 | 461 |
| Depreciation expenses(2) | 925 | 1,090 |
| Transaction-related expenses(3) | 17 | - |
| **Adjusted EBITDA** | **94** | **(1,938)** |

(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 June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Total revenue** | **38,548** | **35,545** |
| **Gross profit** | **30,040** | **27,426** |
| *Gross margin* | 78% | 77% |
| Add: Share-based payments and related expenses | 371 | 521 |
| **Adjusted Gross Profit** | **30,411** | **27,947** |
| *Adjusted Gross Margin* | 79% | 79% |
| | | |
| **Product revenue** | **37,361** | **34,150** |
| **Product cost of revenue** | **7,215** | **6,497** |
| **Product gross profit** | **30,146** | **27,653** |
| *Product gross margin* | 81% | 81% |
| Add: Share-based payments and related expenses | 215 | 310 |
| **Adjusted Product Gross Profit** | **30,361** | **27,963** |
| *Adjusted Product Gross Margin* | 81% | 82% |
| | | |
| **Professional services revenue** | **1,187** | **1,395** |
| **Professional services cost of revenue** | **1,293** | **1,622** |
| **Professional services gross loss** | **(106)** | **(227)** |
| *Professional services gross margin* | (9%) | (16%) |
| Add: Share-based payments and related expenses | 156 | 211 |
| **Adjusted Professional Services Gross Profit** | **50** | **(16)** |
| *Adjusted Professional Services Gross Margin* | 4% | (1%) |

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

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Sales and marketing expenses** | **17,339** | **19,113** |
| *Sales and marketing expenses (% of total revenue)* | 45% | 54% |
| Less: Share-based payments and related expenses | 1,680 | 2,419 |
| **Adjusted Sales and Marketing Expenses** | **15,659** | **16,694** |
| *Adjusted Sales and Marketing Expenses (% of total revenue)* | 41% | 47% |
| | | |
| **Research and product development expenses** | **11,213** | **10,518** |
| *Research and product development expenses (% of total revenue)* | 29% | 30% |
| Less: Share-based payments and related expenses | 1,758 | 1,949 |
| **Adjusted Research and Product Development Expenses** | **9,455** | **8,569** |
| *Adjusted Research & Product Development Expenses (% of total revenue)* | 25% | 24% |
| | | |
| **General and administrative expenses** | **7,010** | **7,118** |
| *General and administrative expenses (% of total revenue)* | 18% | 20% |
| Less: Share-based payments and related expenses | 1,790 | 2,496 |
| Less: Transaction-related expenses | 17 | - |
| **Adjusted General and Administrative Expenses** | **5,203** | **4,622** |
| *Adjusted General and Administrative Expenses (% of total revenue)* | 13% | 13% |

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

| | June 30, 2026 | March 31, 2026 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 107,139 | 101,914 |
| Trade and other receivables | 16,533 | 35,224 |
| Government assistance | 8,423 | 6,292 |
| Prepaid expenses | 7,470 | 9,129 |
| | **139,565** | **152,559** |
| **Non-current assets** | | |
| Contract acquisition costs | 13,297 | 13,744 |
| Property and equipment | 3,101 | 3,199 |
| Intangible assets | 888 | 1,344 |
| Right-of-use assets | 12,384 | 13,127 |
| Deferred tax assets | 1,999 | 2,343 |
| Goodwill | 26,740 | 26,650 |
| **Total assets** | **197,974** | **212,966** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade payable and accrued liabilities | 22,675 | 19,688 |
| Deferred revenue | 72,346 | 86,062 |
| Current portion of lease obligations | 1,774 | 1,920 |
| Accrued liability for shares to be repurchased under automatic securities purchase plan | 3,520 | - |
| | **100,315** | **107,670** |
| **Non-current liabilities** | | |
| Lease obligations | 12,677 | 13,320 |
| **Total liabilities** | **112,992** | **120,990** |
| **Shareholders' Equity** | | |
| Share capital | 737,468 | 735,533 |
| Contributed surplus | 100,953 | 99,443 |
| Deficit | (707,629) | (698,230) |
| Accumulated other comprehensive loss | (45,810) | (44,770) |
| **Total shareholders' equity** | **84,982** | **91,976** |
| **Total liabilities and shareholders' equity** | **197,974** | **212,966** |

(expressed in thousands of U.S. dollars, unaudited)

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| **Cash flows from operating activities** | | |
| **Net loss** | **(5,809)** | **(15,052)** |
| Items not affecting cash | | |
| Amortization of contract acquisition costs | 1,382 | 1,172 |
| Depreciation of property and equipment | 390 | 618 |
| Amortization of intangible assets | 469 | 461 |
| Depreciation of right-of-use assets | 535 | 472 |
| Share-based payments | 5,202 | 6,564 |
| Interest on lease obligations | 214 | 96 |
| Deferred income tax expense (recovery) | 343 | (90) |
| Unrealized foreign exchange loss (gain) | (1,005) | 5,346 |
| Changes in operating assets and liabilities | 7,433 | 7,515 |
| | **9,154** | **7,102** |
| **Cash flows used in investing activities** | | |
| Additions to property and equipment | (180) | (157) |
| Additions to intangible assets | (6) | (16) |
| | **(186)** | **(173)** |
| **Cash flows used in financing activities** | | |
| Proceeds from exercise of stock options | 39 | 239 |
| Tax withholding for net share settlement | (2,429) | (866) |
| Payments on lease obligations | (760) | (671) |
| Shares repurchased and cancelled | (335) | (2,692) |
| Shares repurchased for settlement of share-based awards | (228) | - |
| | **(3,713)** | **(3,990)** |
| Effect of foreign exchange rate changes on cash and cash equivalents | (30) | 775 |
| **Increase in cash and cash equivalents during the period** | **5,225** | **3,714** |
| Cash and cash equivalents – beginning of period | 101,914 | 124,752 |
| **Cash and cash equivalents – end of period** | **107,139** | **128,466** |
| Cash | 71,583 | 68,103 |
| Cash equivalents | 35,556 | 60,363 |