



Fiscal 2023 Q3 Financial Results

For the three months ended December 31, 2022

February 6, 2023

Disclaimer

This presentation (“**Presentation**”) is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in our Annual Information Form dated June 14, 2022 (the “**AIF**”), as well as in our unaudited condensed interim consolidated financial statements for the three- and nine-month periods ended December 31, 2022, and 2021 together with the notes thereto (collectively, the “**Financial Statements**”), as well as the management’s discussion and analysis (the “**MD&A**”) in respect thereof. Coveo Solutions Inc. (“**Coveo**”) has not authorized anyone to provide different or additional information from the information contained in its public disclosure record. Coveo takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Prospective investors should not assume that the information contained in this Presentation is accurate as of any date other than the date of this Presentation, or where information is stated to be as of a date other than the date of this Presentation, such other applicable date. Subject to our obligations under applicable Canadian securities laws, the information contained in this Presentation is accurate only as of the date of this Presentation regardless of the time of delivery of this Presentation.

All references to “US\$”, “\$”, and “U.S. dollars” are to United States dollars and all references to “C\$” are to Canadian dollars. Capitalized terms used herein that are not otherwise defined have the meanings ascribed to such terms in the AIF.

Disclaimer and Legal Notices

This Presentation should not be treated as giving investment advice and is not intended to form the basis of any investment decision. It does not, and is not intended to, constitute or form part of, and should not be construed as, any recommendation or commitment by Coveo or any of its directors, officers, employees, direct or indirect shareholders, agents, subsidiaries, affiliates, advisors or any other person.

Readers should not construe the contents of this Presentation as legal, tax, regulatory, financial or accounting advice.

Forward-Looking Information

This Presentation contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including Coveo’s financial outlook on SaaS Subscription Revenue, Total Revenue, Adjusted Operating Loss, and Weighted Average Shares Outstanding for the three months ending and year ending March 31, 2023 (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. Such forward-looking information includes, but is not limited to, our “financial outlook” and information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions.

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.

This forward-looking information includes, among other things, statements relating to: our business plans and strategies (including growth strategies); expectations regarding Coveo’s revenue and revenue mix, expenses, and other operating results; expectations regarding our ability to successfully retain and expand relationships with existing customers; expectations regarding growth opportunities and our ability to capture an increasing share of addressable markets, including for commerce solutions, and strengthen our competitive position; and expectations regarding our ability to increase our penetration of international markets and selectively pursue and successfully integrate acquisitions, including in respect of identified cross-selling opportunities. Coveo’s financial outlook on SaaS Subscription Revenue, Total Revenue, Adjusted Operating Loss, and Weighted Average Shares Outstanding also constitutes “financial outlook” within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company’s financial performance and measuring progress toward management’s objectives and the reader is cautioned that it may not be appropriate for other purposes.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions 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: our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; 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; assumptions regarding our future capital requirements; assumptions regarding available liquidity under our revolving credit facility; the accuracy of our estimates of market opportunity and growth forecasts; our success in identifying and evaluating, as well as financing and integrating, any acquisitions, partnerships, or joint ventures, our ability to execute on our expansion plans and the future impact of the COVID-19 pandemic. 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 Corporation’s most recently filed Annual Information Form and available under our profile on SEDAR at www.sedar.com. 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.

Moreover, we operate in a very competitive and rapidly changing environment. 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.

Forward-looking information provided in this Presentation relates only to events or information as of the date on which the statements are made in this Presentation and are 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.

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This Presentation includes certain trademarks, such as “Coveo”, “Coveo Relevance Cloud” and “Coveo Relevance Maturity Model”, which are protected under applicable intellectual property laws and are the property of Coveo. Solely for convenience, our trademarks referred to in this Presentation may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks to the fullest extent under applicable law. All other trademarks used in this Presentation are the property of their respective owners.

Market, Industry, and Other Data

Market, industry and other data presented in this Presentation was obtained from third-party sources and industry reports, and from publications, websites, and other publicly available information, as well as industry and other data prepared by Coveo or on its behalf on the basis of Coveo’s internal sources and knowledge of the markets in which it operates, including information provided by suppliers, partners, customers, and other industry participants.

Coveo believes that the market, industry, and other data presented in this Presentation is reliable and, with respect to data prepared by Coveo or on its behalf, that Coveo’s estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and other data presented in this Presentation are not guaranteed and Coveo does not make any representation as to the accuracy of such data. The industry in which Coveo operates is subject to a high degree of uncertainty and risk due to a variety of factors.

Actual outcomes may vary materially from those estimated or forecasted in the reports or publications from which market, industry, and other data presented in this Presentation was obtained, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Coveo has not independently verified the accuracy or completeness of any of the data from third-party sources referred to in this Presentation, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, industry and other assumptions relied upon by such sources. Market, industry, and other data presented in this Presentation is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey. As a result, you are cautioned not to give undue weight to these estimates. Furthermore, Coveo cannot assure you that a third party using different methods to assemble, analyze or compute industry and market data would obtain the same results. None of the industry publications referred to in this Presentation were prepared on Coveo’s or on its affiliates’ behalf or at Coveo’s expense.

In this Presentation, Coveo may have estimated the potential economic and other benefits of its solutions to a broad range of use cases across a customer’s operations. To arrive at these estimates, Coveo gathers available financial and operating data regarding a customer in each of its solutions based on results achieved from trials and deployments according to feedback received from its customers, which Coveo believes may be representative of how similar customers have selected, deployed, and benefited from its platform and solutions, and its estimate of the associated economic and other benefits to its customers. However, these estimates reflect Coveo’s estimate of the potential economic and other benefits to the selected customers based on feedback received from such customers; the estimate of the potential impact to other customers would depend on numerous variables, including the scale, results and scope of operations of such other customers. These estimates are limited by the scaling factors of extrapolating these results from the specific project scope of each trial or deployment across the customer’s entire business. No customer has reviewed Coveo’s methodology for estimating the potential economic and other benefits of its solutions to their businesses and they and others may not agree with it or the assumptions that Coveo has made. These estimates are subject to a high degree of uncertainty and risk due to a variety of factors. Information contained on or accessible through the website(s) or reports referenced herein is not a part of this Presentation and the inclusion of any website address referenced in this Presentation is an inactive textual reference only.

Non-IFRS Measures and Ratios

In addition to using financial measures prescribed by the International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”), the information presented in this Presentation includes non-IFRS financial measures and ratios. 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. Rather, these non-IFRS financial measures and ratios are provided as additional information to complement those IFRS measures and ratios by providing further understanding of Coveo’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 Coveo’s financial information reported under IFRS. Coveo uses non-IFRS measures and ratios, including (i) Adjusted Operating Loss, (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 Profit (%), Adjusted Product Gross Profit (%), and Adjusted Professional Services Gross Profit (%) (collectively referred to as our “**Adjusted Gross Profit (%) 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 non-IFRS financial measures and ratios are used to provide investors with supplemental measures of Coveo’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. Coveo believes that these non-IFRS financial measures and ratios are useful in providing supplemental information regarding its performance by excluding certain items that may not be indicative of its business, operating results, or future outlook. Coveo also believes that securities analysts, investors, and other interested parties frequently use non-IFRS measures and ratios in the evaluation of issuers. Coveo’s management also uses non-IFRS financial measures and ratios in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management compensation. Coveo believes Adjusted Operating Loss, the Adjusted Gross Profit Measures, the Adjusted Gross Profit (%) Measures, the Adjusted Operating Expense Measures, and the Adjusted Operating Expense (%) Measures provide its management and investors consistency and comparability with its past financial performance and facilitate period-to-period comparisons of operations, as Adjusted Operating Loss, the Adjusted Gross Profit Measures, the Adjusted Gross Profit (%) Measures, the Adjusted Operating Expense Measures, and the Adjusted Operating Expense (%) Measures generally eliminate the effects of certain variables from period to period for reasons unrelated to overall operating performance.

Please refer to the “Definition of Non-IFRS Measures and Ratios” section of the Appendix for details of the composition of Adjusted Operating Loss, Adjusted Gross Profit, Adjusted Product Gross Profit, Adjusted Professional Services Gross Profit, Adjusted Gross Profit (%), Adjusted Product Gross Profit (%), Adjusted Professional Services Gross Profit (%), Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, Adjusted General and Administrative Expenses, Adjusted Sales and Marketing Expenses (%), Adjusted Research and Product Development Expenses (%), and Adjusted General and Administrative Expenses (%) presented by Coveo, as well as the reconciliations of such measures to the most directly comparable IFRS measure, where applicable.

Key Performance Indicators

This Presentation refers to SaaS Subscription Revenue, Current Remaining Performance Obligations, SaaS Annualized Contract Value, and Net Expansion Rate, which are operating metrics used in Coveo’s industry. We monitor such key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans and make strategic decisions. These 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. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

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.



Q3 Performance Highlights



Louis Têtu

Chairman and CEO

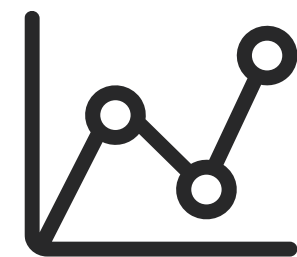
Q3 FY'23 Highlights



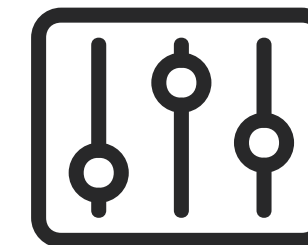
25%
SaaS Subscription
Revenue⁽¹⁾ Growth



23%
Total Revenue Growth



107%
Net Expansion Rate⁽¹⁾



\$3.9M
Adjusted Operating Loss⁽²⁾

(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) Adjusted Operating Loss is a non-IFRS measure. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the "Reconciliation of Adjusted Operating Loss to Operating Loss" section in the Appendix for a definition of Adjusted Operating Loss and a reconciliation to Operating Loss.

Customer Land Highlights



Commerce

Global Direct Seller

Operating in ~100 countries
Largest land transaction to-date

Power Transmission Manufacturer

Used in several critical
industries globally



Service and Platform

Semiconductor and Telecommunications Company

Multinational Pharmaceutical Services Company

Customer Expand Highlights

American Healthcare
Services Company

Multinational
Oil & Gas Company

Large Home Improvement
Retail Chain

SYNOPSIS[®]

FINASTRA



PET SUPPLIES PLUS

A Top-3 Global Consumer Electronics Manufacturer

Industry: Consumer electronics and home appliances
>200,000 employees and revenue of ~USD \$60B

Coveo partnered with a leading electronics company focused on developing new innovations in consumer electronics and other products. They offer a wide range of products including TV and home entertainment, kitchen, laundry, computer, air conditioners, and solar

Use of Coveo began within a single region for Commerce and Service with the following goals:

- ▶ Increase conversions
- ▶ Improve accuracy of search results
- ▶ Improve merchandising
- ▶ Automate with AI wherever possible

Post implementation, the single region had their biggest sales day to-date (Black Friday)

Based on success, Coveo now being rolled out over 81 countries over the next 2 years



One of the Largest **DIY** and **Home Hardware** Chains in Oceania

Industry: Home Improvement and Hardware

>50,000 employees and revenue of ~USD \$15B

For almost two years, the company has been utilizing Coveo's Relevance Platform and machine learning capabilities

Use of Coveo:

- ▶ Website search
- ▶ Category and product listings pages
- ▶ Upselling at multiple stages of the user journey
- ▶ Recently extended Coveo to their B2B sites

**Reported
millions of dollars
in upsells in a recent
quarter attributed
to Coveo**



A Global Leader in Network Security and Related Technologies

Industry: IT Security

>250,000 customers, 17,000 security resellers, and ~100 service agents

Deployed nearly a million of its integrated, multi-function threat management appliances worldwide, to businesses that range from SMEs to large distributed enterprises

Use of Coveo with Salesforce:

- ▶ Powering their partner and customer portal
- ▶ Case deflection page
- ▶ Agent insight panel and full search page

Results with Coveo:

- ▶ Significantly increase customer and partner self-service without hiring new agents
- ▶ Reduced knowledge gaps while surfacing relevant results

**Almost
instant, significant
improvements in
Case Deflection**



New Product Features: Coveo Relevance Cloud™

New Coveo Merchandising Hub (announced Jan. 11/'23)

- The integration of Qubit into the Coveo Relevance Cloud creates the first comprehensive tool set solely for merchandisers
- Includes an array of AI-powered innovations providing insights on shopper intent, enabling merchandisers to quickly deploy the winning strategies to optimize campaigns and revenue per visit, boost specific products for revenue, and showcase higher-margin products

Intelligent, Out-of-the-Box Facet Generator

- Coveo's AI delivers a smart, dynamic, personalized site search across digital experiences without any traffic or behavioral data required
- By automatically adjusting the facet or filter options available for any search or listing page, Coveo has improved discoverability in Commerce, Service, and Workplace environments

Analysis and Developer Tools within Snowflake

- Real-time access to Coveo Analytics through Snowflake's reader account
- Data can be leveraged in any business intelligence tools and even combined with other external data sources for better and more complete visualization of search engagement and business performance



Q3 Financial Highlights

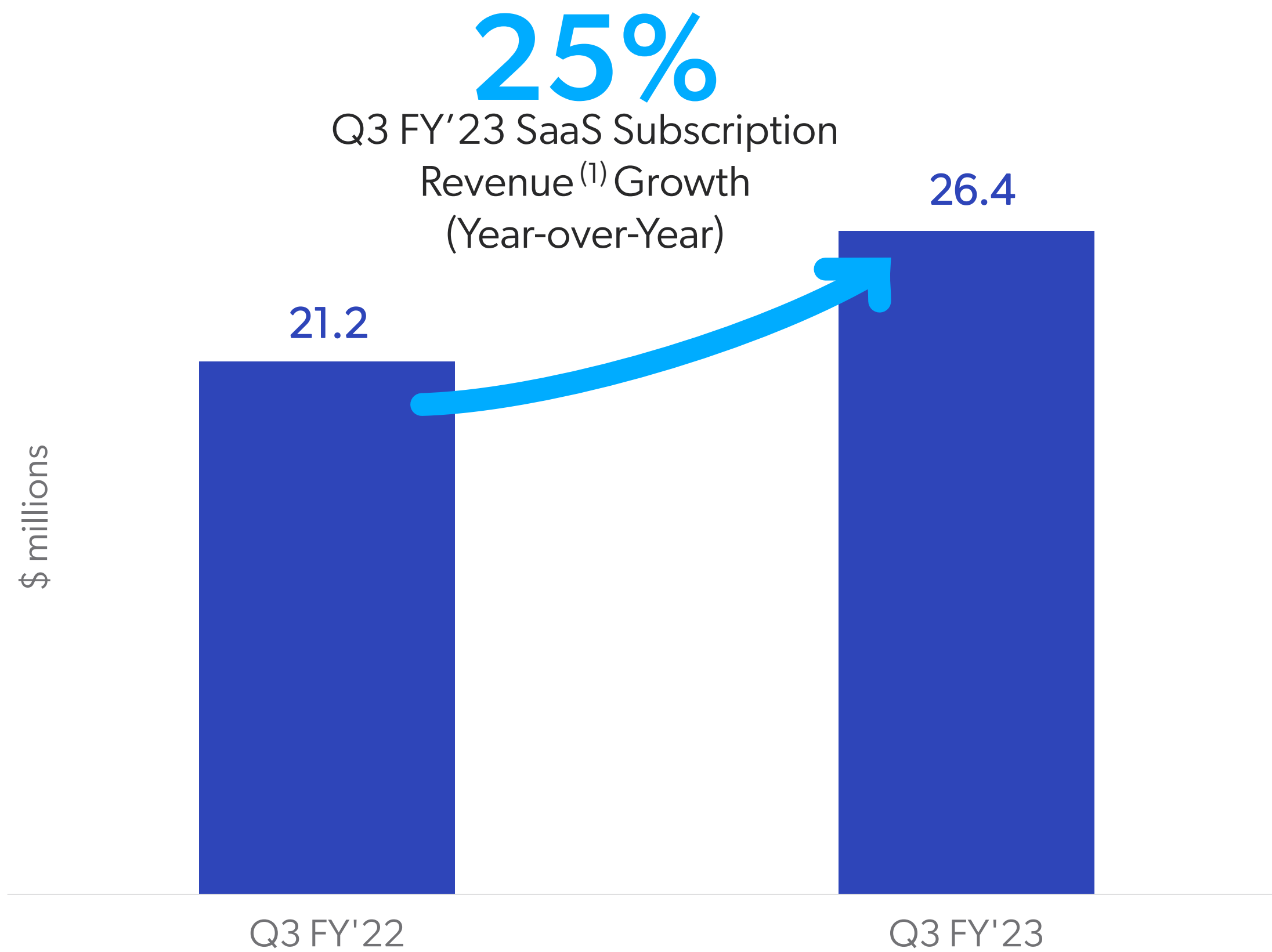


Jean Lavigueur
CFO

Revenue Growth

USD millions, except %	Q3 FY'23	YoY
Total Revenue	\$28.5	23%
SaaS Subscription Revenue <i>% of Total Revenue</i>	\$26.4 <i>93%</i>	25%
Self-Managed Licenses and Maintenance <i>% of Total Revenue</i>	\$0.3 <i>1%</i>	(39%)
Professional Services <i>% of Total Revenue</i>	\$1.8 <i>6%</i>	13%

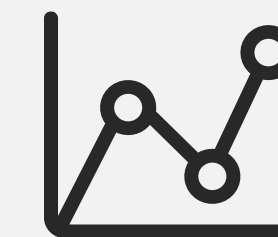
Key Performance Indicators



\$92.1M, up 28% YoY

Current SaaS Subscription Remaining Performance Obligations⁽¹⁾

As of Dec. 31, 2022



107%

Net Expansion Rate⁽¹⁾

As of Dec. 31, 2022

(1) SaaS Subscription Revenue, Current SaaS Subscription Remaining Performance Obligations and Net Expansion Rate are Key Performance Indicators of Coveo. Please refer to the "Definition of Key Performance Indicators" section of the Appendix for the definitions of such measures.

Adjusted **Gross Profit** Measures

%	Q3 FY'23	Q3 FY'22
Gross Profit	77%	74%
Adjusted Gross Profit⁽¹⁾	78%	76%
Product Gross Profit	81%	79%
Adjusted Product Gross Profit⁽¹⁾	82%	80%
Professional Services Gross Profit	9%	2%
Adjusted Professional Services Gross Profit⁽¹⁾	17%	18%

(1) Adjusted Gross Profit (%), Adjusted Product Gross Profit (%) and Adjusted Professional Services Gross Profit (%) 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 Profit (%), Adjusted Product Gross Profit (%), and Adjusted Professional Services Gross Profit (%) and the reconciliation to their most directly comparable IFRS measures.

Operating **Loss**

USD millions	Q3 FY'23	Q3 FY'22
Operating Loss	\$(10.7)	\$(23.4)
Adjusted Operating Loss ⁽¹⁾	\$(3.9)	\$(8.2)
Net Income (Loss) ⁽²⁾	\$(10.0)	\$426.3

(1) Adjusted Operating Loss is a non-IFRS measure. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the "Reconciliation of Adjusted Operating Loss to Operating Loss" section in the Appendix for a definition of Adjusted Operating Loss and a reconciliation to Operating Loss.

(2) Net income (loss) in the comparable period was impacted by a non-cash gain of \$269.2 million and an associated income tax recovery of \$184.4 million, both related to the Company's preferred shares converted immediately prior to the initial public offering of the Company in November 2021.

Q4 FY'23 and Full Year **Guidance**

USD millions, except shares outstanding	Q4 FY'23	Full Year FY'23
SaaS Subscription Revenue⁽¹⁾	\$26.6 – \$27.1	\$102.5 – \$103.0
Total Revenue	\$28.6 – \$29.1	\$111.5 – \$112.0
Adjusted Operating Loss⁽²⁾	\$5.0 – \$6.0	\$20.9 – \$21.9
Weighted Average Shares Outstanding	105.5 – 106.0 million	104.0 – 105.0 million

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 the reader in understanding the Company'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 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 our Q3 FY'23 earnings press release available under our profile on www.sedar.com for a list of additional assumptions and hypothesis made in connection with our financial outlook.

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

(2) Adjusted Operating Loss is a non-IFRS measure. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the "Reconciliation of Adjusted Operating Loss to Operating Loss" section in the Appendix for a definition of Adjusted Operating Loss and a reconciliation to Operating Loss.



Q3 FY'23 Results **Q&A**

Appendix

Condensed Interim Consolidated Statements of Income or Loss and Comprehensive Income or Loss

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

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue				
SaaS subscription	26,389	21,153	75,861	54,782
Self-managed licenses and maintenance	298	487	912	2,042
Product revenue	26,687	21,640	76,773	56,824
Professional services	1,810	1,603	6,119	4,155
Total revenue	28,497	23,243	82,892	60,979
Cost of revenue				
Product	4,948	4,476	14,455	11,215
Professional services	1,656	1,566	5,455	3,406
Total cost of revenue	6,604	6,042	19,910	14,621
Gross profit	21,893	17,201	62,982	46,358
Operating expenses				
Sales and marketing	13,728	12,182	42,450	33,650
Research and product development	8,705	9,076	26,800	19,446
General and administrative	8,102	17,277	22,917	26,939
Depreciation of property and equipment	599	684	1,951	1,985
Amortization of intangible assets	1,072	1,042	3,337	1,098
Depreciation of right-of-use assets	388	377	1,181	1,138
Total operating expenses	32,594	40,638	98,636	84,256
Operating loss	(10,701)	(23,437)	(35,654)	(37,898)

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Change in redeemable preferred shares – conversion rights component fair value	-	(269,200)	-	(299,428)
Net financial expenses (income)	(1,485)	2,930	(2,904)	12,560
Foreign exchange loss (gain)	735	628	(581)	281
Income (loss) before income tax expense (recovery)	(9,951)	242,205	(32,169)	248,689
Income tax expense (recovery)	96	(184,108)	330	(188,972)
Net income (loss)	(10,047)	426,313	(32,499)	437,661
Other comprehensive income (loss)				
Items that may be reclassified to the consolidated statements of income (loss):				
Foreign currency differences on translation to presentation currency	5,282	(6,989)	(17,281)	(2,637)
Total comprehensive income (loss)	(4,765)	419,324	(49,780)	435,024
Net income (loss) per share				
Basic	(0.10)	7.65	(0.31)	13.05
Diluted	(0.10)	(0.24)	(0.31)	(0.41)
Weighted average number of shares outstanding				
Basic	104,825,521	55,701,559	104,336,957	33,537,536
Diluted	104,825,521	101,636,633	104,336,957	96,272,762

Condensed Interim Consolidated Statements of Income or Loss and Comprehensive Income or Loss

(in thousands of US dollars, unaudited)

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

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Share-based payments and related expenses				
Product cost of revenue	182	140	574	230
Professional services cost of revenue	157	132	466	206
Sales and marketing	1,375	695	4,445	1,153
Research and product development	1,487	1,100	4,608	1,537
General and administrative	2,163	786	5,406	1,201
Share-based payments and related expenses	5,364	2,853	15,499	4,327

Reconciliation of Adjusted Operating Loss to Operating Loss

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Operating loss	(10,701)	(23,437)	(35,654)	(37,898)
Share-based payments and related expenses ⁽¹⁾	5,364	2,853	15,499	4,327
Amortization of acquired intangible assets ⁽²⁾	1,070	1,003	3,333	1,003
Acquisition-related compensation ⁽³⁾	21	502	407	744
Transaction-related expenses ⁽⁴⁾	324	509	324	1,839
Charitable contributions	66	10,420	165	10,479
Adjusted Operating Loss	(3,856)	(8,150)	(15,926)	(19,506)

- (1) These expenses relate to issued stock options, restricted shares units, and other awards under share-based plans to our employees and directors as well as related payroll taxes that are directly attributable to the share-based payments. These costs are included in product and professional services cost of revenue, sales and marketing, research and product development, and general and administrative expenses.
- (2) These expenses represent the amortization of intangible assets acquired through the acquisition of Qubit Digital Ltd ("Qubit"). These costs are included in amortization of intangible assets.
- (3) These expenses relate to non-recurring acquisition-related compensation in connection with acquisitions. These costs are included in product and professional services cost of revenue, and sales and marketing, research and product development, and general and administrative expenses.
- (4) These expenses relate to professional, legal, consulting, accounting, advisory, and other fees relating to transactions that would otherwise not have been incurred. These costs are included in general and administrative expenses.

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

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Profit (%) Measures

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Total revenue	28,497	23,243	82,892	60,979
Gross profit	21,893	17,201	62,982	46,358
<i>Gross profit (%)</i>	<i>77%</i>	<i>74%</i>	<i>76%</i>	<i>76%</i>
Add: Share-based payments and related expenses	339	272	1,040	436
Add: Acquisition-related compensation	6	156	172	156
Adjusted Gross Profit	22,238	17,629	64,194	46,950
<i>Adjusted Gross Profit (%)</i>	<i>78%</i>	<i>76%</i>	<i>77%</i>	<i>77%</i>
Product revenue	26,687	21,640	76,773	56,824
Product cost of revenue	4,948	4,476	14,455	11,215
Product gross profit	21,739	17,164	62,318	45,609
<i>Product gross profit (%)</i>	<i>81%</i>	<i>79%</i>	<i>81%</i>	<i>80%</i>
Add: Share-based payments and related expenses	182	140	574	230
Add: Acquisition-related compensation	4	30	134	30
Adjusted Product Gross Profit	21,925	17,334	63,026	45,869
<i>Adjusted Product Gross Profit (%)</i>	<i>82%</i>	<i>80%</i>	<i>82%</i>	<i>81%</i>
Professional services revenue	1,810	1,603	6,119	4,155
Professional services cost of revenue	1,656	1,566	5,455	3,406
Professional services gross profit	154	37	664	749
<i>Professional services gross profit (%)</i>	<i>9%</i>	<i>2%</i>	<i>11%</i>	<i>18%</i>
Add: Share-based payments and related expenses	157	132	466	206
Add: Acquisition-related compensation	2	126	38	126
Adjusted Professional Services Gross Profit	313	295	1,168	1,081
<i>Adjusted Professional Services Gross Profit (%)</i>	<i>17%</i>	<i>18%</i>	<i>19%</i>	<i>26%</i>

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

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

(in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Sales and marketing expenses	13,728	12,182	42,450	33,650
<i>Sales and marketing expenses (%)</i>	48%	52%	51%	55%
Less: Share-based payments and related expenses	1,375	695	4,445	1,153
Less: Acquisition-related compensation	6	67	77	67
Adjusted Sales and Marketing Expenses	12,347	11,420	37,928	32,430
<i>Adjusted Sales and Marketing Expenses (%)</i>	43%	49%	46%	53%
Research and product development expenses	8,705	9,076	26,800	19,446
<i>Research and product development expenses (%)</i>	31%	39%	32%	32%
Less: Share-based payments and related expenses	1,487	1,100	4,608	1,537
Less: Acquisition-related compensation	8	270	143	512
Adjusted Research and Product Development Expenses	7,210	7,706	22,049	17,397
<i>Adjusted Research and Product Development Expenses (%)</i>	25%	33%	27%	29%
General and administrative expenses	8,102	17,277	22,917	26,939
<i>General and administrative expenses (%)</i>	28%	74%	28%	44%
Less: Share-based payments and related expenses	2,163	786	5,406	1,201
Less: Acquisition-related compensation	1	9	15	9
Less: Transaction-related expenses	324	509	324	1,839
Less: Charitable contributions	66	10,420	165	10,479
Adjusted General and Administrative Expenses	5,548	5,553	17,007	13,411
<i>Adjusted General and Administrative Expenses (%)</i>	19%	24%	21%	22%

“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, charitable contributions, and other one-time or non-cash items. We refer to these measures collectively as our “Adjusted Operating Expense Measures”. “Adjusted Sales and Marketing Expenses (%)”, “Adjusted Research and Product Development Expenses (%)”, and “Adjusted General and Administrative Expenses (%)” are respectively defined as Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses as a percentage of total revenue. We refer to these measures collectively as our “Adjusted Operating Expense (%) Measures”.

Condensed Interim Consolidated Statements of Financial Position

(in thousands of US dollars, unaudited)

	December 31, 2022	March 31, 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	207,565	223,072
Trade and other receivables	20,266	25,476
Refundable tax credits	7,225	10,443
Prepaid expenses	4,573	5,861
	<u>239,629</u>	<u>264,852</u>
Non-current assets		
Contract acquisition costs	11,091	10,858
Property and equipment	6,971	8,704
Intangible assets	15,966	20,605
Right-of-use assets	8,032	9,255
Deferred tax assets	3,794	4,616
Goodwill	25,314	26,610
	<u>239,629</u>	<u>264,852</u>
Total assets	<u>310,797</u>	<u>345,500</u>
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	21,420	22,910
Current portion of deferred revenue	52,656	49,879
Current portion of lease obligations	1,902	1,916
	<u>75,978</u>	<u>74,705</u>
Non-current liabilities		
Deferred revenue	265	513
Lease obligations	9,443	11,169
Deferred tax liabilities	2,884	3,677
	<u>88,570</u>	<u>90,064</u>
Total liabilities	<u>88,570</u>	<u>90,064</u>
Shareholders' equity		
Share capital	865,861	859,944
Contributed surplus	25,949	15,295
Deficit	(624,755)	(592,256)
Accumulated other comprehensive loss	(44,828)	(27,547)
	<u>222,227</u>	<u>255,436</u>
Total liabilities and shareholders' equity	<u>310,797</u>	<u>345,500</u>

Condensed Interim Consolidated Statements of Cash Flows

(in thousands of US dollars, unaudited)

	Nine months ended December 31,	
	2022	2021
	\$	\$
Cash flows from (used in) operating activities		
Net income (loss)	(32,499)	437,661
Items not affecting cash		
Amortization of contract acquisition costs	3,302	2,797
Depreciation of property and equipment	1,951	1,985
Amortization of intangible assets	3,337	1,098
Depreciation of right-of-use assets	1,181	1,138
Interest accretion	-	11,906
Change in redeemable preferred shares – conversion rights component fair value	-	(299,428)
Donation of share capital	-	10,379
Share-based payments	15,628	4,327
Interest on lease obligations	482	550
Change in fair value of short-term investments	-	103
Variation of deferred tax assets and liabilities	323	(189,062)
Unrealized foreign exchange loss (gain)	(581)	232
Changes in non-cash working capital items	7,728	(7,254)
	852	(23,568)
Cash flows from (used in) investing activities		
Business combination, net of cash acquired	(475)	(38,667)
Proceeds from disposal of short-term investments	-	76,351
Additions to property and equipment	(1,046)	(1,118)
Additions to intangible assets	(5)	(756)
	(1,526)	35,810
Cash flows from (used in) financing activities		
Share capital issued	-	195,920
Share capital issuance costs	-	(14,477)
Consideration to a shareholder	-	(14,758)
Proceeds from exercise of stock options	1,579	337
Tax withholding for net share settlement	(599)	-
Payments on lease obligations	(1,889)	(1,683)
	(909)	165,339
Effect of foreign exchange rate changes on cash and cash equivalents	(13,924)	703
Increase (decrease) in cash and cash equivalents during the period	(15,507)	178,284
Cash and cash equivalents – beginning of period	223,072	55,399
Cash and cash equivalents – end of period	207,565	233,683

Definition of Key Performance Indicators

“SaaS Subscription Revenue” means Coveo’s SaaS subscription revenue, as presented in its financial statements in accordance with IFRS.

“Current SaaS Subscription Remaining Performance Obligations” is a forward-looking indicator of anticipated future revenue under contract that has not yet been recognized as revenue but that is expected to be recognized over the next 12 months, as presented in our financial statements in accordance with IFRS.

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

- i. Excludes any SaaS Annualized Contract Value from new customers added during the 12 months preceding the end of the period selected;
- ii. Includes incremental SaaS Annualized Contract Value made to the cohort over the 12 months preceding the end of the period selected;
- iii. Is net of the SaaS Annualized Contract Value from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected; and
- iv. Includes customers who converted from self-managed (on-premise) licenses and maintenance services to SaaS subscriptions during the 12 months preceding the end of the period selected.

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

Please also refer to the "Key Performance Indicators" section of our latest MD&A, which is available under our profile on SEDAR at www.sedar.com, for additional details on the abovementioned key performance indicators.