

November 7, 2022



Coveo Reports Second Quarter Fiscal 2023 Financial Results

*Second quarter SaaS Subscription Revenue grew 47% year-over-year to \$25.5 million
Second quarter total revenue increased 43% year-over-year to \$27.9 million
Current SaaS Subscription Remaining Performance Obligations grew 51% year-over-year to \$88.7 million as of September 30, 2022*

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

MONTREAL and SAN FRANCISCO, Nov. 07, 2022 (GLOBE NEWSWIRE) -- [Coveo Solutions Inc.](#) (“Coveo” or the “Company”) (TSX: CVO), a leader in AI-powered relevance platforms that transform search, recommendations, personalization, and merchandizing within digital experiences, today announced financial results for its second quarter of fiscal 2023, ended September 30, 2022.

“Our solid second quarter results reflect our strong relationships with enterprise customers who view Coveo as a mission-critical component of their digital experiences that help to optimize business outcomes,” said Louis Têtu, Chairman and CEO of Coveo. “As we near our one-year anniversary as a public company, we believe the investments we have made in our people and technology to date have built a firm foundation to help us execute on our growth plans while also allowing us to continue to improve our operational efficiency.”

Second Quarter Fiscal 2023 Financial Highlights

(All comparisons are relative to the three-month period ended September 30, 2021, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ grew 47% to \$25.5 million compared to \$17.3 million.
- Total revenue was \$27.9 million, an increase of 43% compared to \$19.5 million.
- Current SaaS Subscription Remaining Performance Obligations⁽¹⁾ of \$88.7 million as of September 30, 2022, up 51% compared to \$58.9 million as of September 30, 2021.
- Gross profit (%) was 76%, a decrease of 2%, and product gross profit (%) was 82%, in-line with the prior period. Adjusted Gross Profit (%)⁽²⁾ was 78%, a decrease of 1%, and Adjusted Product Gross Profit (%)⁽²⁾ was 83%, an increase of 1%.
- Operating loss was \$11.6 million and Adjusted Operating Loss⁽³⁾ was \$4.7 million.
- Net loss was \$9.9 million, compared to net loss of \$61.9 million. Net loss in the comparable period was principally impacted by a non-cash loss of \$39.2 million and an associated income tax expense of \$10.9 million, both related to the Company’s preferred shares converted immediately prior to the initial public offering of the Company in November 2021.
- Cash and cash equivalents were \$204.8 million as of September 30, 2022.

Second Quarter Fiscal 2023 Operational Highlights

- Net Expansion Rate⁽¹⁾ of 111% as of September 30, 2022.
- Coveo named the champion in the [2022 Enterprise Search Awards](#) from SoftwareReviews, a division of IT research and consulting firm Info-Tech Research Group. The award is based on the collective knowledge of real users and placement is based on user sentiment, alongside the ‘value index’ which captures user satisfaction given the costs they are paying.
- Announced release of new enhancements to the Coveo Merchandising Hub to allow social proofing (badging) to be easily and scalably deployed on product listing pages. Enabling social proofing at scale has the potential to generate significant increases in conversion rates given these pages are often among the most visited on commerce sites.
- Launched Quantic Insight Panel component to enable administrators to easily deploy a next-generation Coveo Hosted Insight Panel in Salesforce. This new capability can help to drive rapid time-to-value and innovation, as managers can easily update the Insight Panel configuration and functionality in real-time via the Coveo Admin console.
- Made first round of donations of equity, time and technology as part of Coveo’s [Pledge 1%](#) contribution and broader [ESG initiatives](#). Through this program, the Company contributes time, products, expertise, and money to support programs and organizations that provide learning and growth opportunities, including knowledge-sharing and mentoring, technical access, and financial assistance for young people (12-18 years old) in vulnerable social groups.

Financial Outlook

Coveo anticipates SaaS Subscription Revenue⁽¹⁾, Total Revenue, Adjusted Operating Loss⁽³⁾, and Weighted Average Shares Outstanding to be in the following ranges:

	Q3 FY'23	Full Year FY'23
SaaS Subscription Revenue ⁽¹⁾	\$25.6 – \$26.1 million	\$101.5 – \$103.0 million
Total Revenue	\$27.6 – \$28.1 million	\$110.0 – \$111.5 million
Adjusted Operating Loss ⁽³⁾	\$5.0 – \$6.0 million	\$23.0 – \$25.0 million
Weighted Average Shares Outstanding	104.8 – 105.3 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 below 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.

(1) SaaS Subscription Revenue, Current SaaS Subscription Remaining Performance Obligations, and Net Expansion Rate are Key Performance Indicators of Coveo. Please see the “Key Performance Indicators” section below.

(2) Adjusted Gross Profit (%) and Adjusted Product Gross Profit (%) are non-IFRS ratios.

Please see the “Non-IFRS Measures and Ratios” section below and the reconciliation tables at the end of this release.

(3) Adjusted Operating Loss is a non-IFRS measure. Please see the “Non-IFRS Measures and Ratios” section below and the reconciliation tables at the end of this release.

Q2 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 its fiscal second quarter 2023. The call will be hosted by Louis Têtu, Chairman and CEO, and Jean Lavigueur, CFO.

Dial-in number: 1-888-664-6392; Confirmation #: 89869371

Live webcast: <https://app.webinar.net/EwjxLzldzA9>

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

Non-IFRS Measures and Ratios

Coveo’s unaudited condensed interim 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 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 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 Operating Loss, the Adjusted Gross Profit Measures, the Adjusted Gross Profit (%) 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 measures and ratios in the evaluation of issuers. Coveo’s management uses and intends to continue to use non-IFRS 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 Measures” section of our latest MD&A, which is available under our profile on SEDAR at www.sedar.com, for a description of these measures. Please also see the financial tables below for a description of such measures and a reconciliation of (i) Adjusted Operating Loss to operating 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”, “Current SaaS Subscription Remaining Performance Obligations” 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.

“SaaS Subscription Revenue” means Coveo’s SaaS subscription revenue, as presented in our 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.

Forward-Looking Information

This press release 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 on December 31, 2022, and for the year ending March 31, 2023 (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.

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, without limitation: 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; our future capital requirements; the 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 Company’s most recently filed Annual Information Form (“AIF”) 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.

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.sedar.com 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 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.

About Coveo Solutions Inc.

We believe that relevance is critical for businesses to win in the new digital experience economy, to serve people the way they expect, and that applied AI is an imperative. Coveo is a market-leading AI-powered relevance platform. Our SaaS-native, multi-tenant platform injects search, recommendations, and personalization solutions into digital experiences. We provide solutions for commerce, service, website, and workplace applications. Our solutions are designed to provide tangible value to our customers by helping drive conversion and revenue growth, increase profitability, reduce customer support costs, increase customer satisfaction and website engagement, and improve employee proficiency and satisfaction. Our AI powers relevant interactions for hundreds of the world's most innovative brands and is supported by a large network of global system integrators and implementation partners.

Coveo is a trademark of Coveo Solutions, Inc.

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Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

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

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue				
SaaS subscription	25,469	17,313	49,472	33,629
Self-managed licenses and maintenance	290	841	614	1,555
Product revenue	25,759	18,154	50,086	35,184
Professional services	2,174	1,358	4,309	2,552
Total revenue	27,933	19,512	54,395	37,736
Cost of revenue				
Product	4,749	3,341	9,507	6,739
Professional services	1,822	882	3,799	1,840
Total cost of revenue	6,571	4,223	13,306	8,579
Gross profit	21,362	15,289	41,089	29,157
Operating expenses				
Sales and marketing	14,161	10,595	28,722	21,468
Research and product development	8,963	5,528	18,095	10,370
General and administrative	7,722	5,516	14,815	9,662
Depreciation of property and equipment	660	652	1,352	1,301
Amortization of intangible assets	1,104	30	2,265	56
Depreciation of right-of-use assets	396	378	793	761
Total operating expenses	33,006	22,699	66,042	43,618
Operating loss	(11,644)	(7,410)	(24,953)	(14,461)
Change in redeemable preferred shares – conversion rights component fair value	-	39,248	-	(30,228)
Net financial expenses (income)	(1,020)	4,826	(1,419)	9,630
Foreign exchange gain	(816)	(780)	(1,316)	(347)
Income (loss) before income tax expense (recovery)	(9,808)	(50,704)	(22,218)	6,484
Income tax expense (recovery)	125	11,184	234	(4,864)
Net income (loss)	(9,933)	(61,888)	(22,452)	11,348
Other comprehensive income (loss)				
Items that may be reclassified to the consolidated statements of income (loss):				
Foreign currency differences on translation to presentation currency	(13,961)	20,426	(22,563)	4,352
Total comprehensive income (loss)	(23,894)	(41,462)	(45,015)	15,700
Net income (loss) per share				
Basic	(0.10)	(2.76)	(0.22)	0.51
Diluted	(0.10)	(2.76)	(0.22)	(0.16)
Weighted average number of shares outstanding				
Basic	104,350,739	22,423,629	104,091,340	22,394,967
Diluted	104,350,739	22,423,629	104,091,340	93,631,464

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

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Share-based payments and related expenses				
Product cost of revenue	210	44	392	90
Professional services cost of revenue	165	43	309	74
Sales and marketing	1,539	240	3,070	458
Research and product development	1,688	238	3,121	437
General and administrative	2,058	205	3,243	415
Share-based payments and related expenses	5,660	770	10,135	1,474

Reconciliation of Adjusted Operating Loss to Operating Loss (expressed in thousands of US dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Operating loss	(11,644)	(7,410)	(24,953)	(14,461)
Share-based payments and related expenses ⁽¹⁾	5,660	770	10,135	1,474
Amortization of acquired intangible assets ⁽²⁾	1,103	-	2,263	-
Acquisition-related compensation ⁽³⁾	175	121	386	242
Transaction-related expenses ⁽⁴⁾	-	1,330	-	1,330
Charitable contributions	53	28	99	59
Adjusted Operating Loss	(4,653)	(5,161)	(12,070)	(11,356)

(1) These expenses represent non-cash expenditures recognized in connection with 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 the Tooso, Inc. and Qubit 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 include professional, legal, consulting, and accounting fees related to the acquisition of Qubit. These costs are included in general and administrative expenses.

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

(expressed in thousands of US dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Total revenue	27,933	19,512	54,395	37,736
Gross profit	21,362	15,289	41,089	29,157
<i>Gross profit (%)</i>	76%	78%	76%	77%
Add: Share-based payments and related expenses	375	87	701	164
Add: Acquisition-related compensation	85	-	166	-
Adjusted Gross Profit	21,822	15,376	41,956	29,321
<i>Adjusted Gross Profit (%)</i>	78%	79%	77%	78%
Product revenue	25,759	18,154	50,086	35,184
Product cost of revenue	4,749	3,341	9,507	6,739
Product gross profit	21,010	14,813	40,579	28,445
<i>Product gross profit (%)</i>	82%	82%	81%	81%
Add: Share-based payments and related expenses	210	44	392	90
Add: Acquisition-related compensation	70	-	130	-
Adjusted Product Gross Profit	21,290	14,857	41,101	28,535
<i>Adjusted Product Gross Profit (%)</i>	83%	82%	82%	81%
Professional services revenue	2,174	1,358	4,309	2,552
Professional services cost of revenue	1,822	882	3,799	1,840
Professional services gross profit	352	476	510	712
<i>Professional services gross profit (%)</i>	16%	35%	12%	28%
Add: Share-based payments and related expenses	165	43	309	74
Add: Acquisition-related compensation	15	-	36	-
Adjusted Professional Services Gross Profit	532	519	855	786
<i>Adjusted Professional Services Gross Profit (%)</i>	24%	38%	20%	31%

Reconciliation of Adjusted Operating Expense Measures and Adjusted Operating Expense (%) Measures (expressed in thousands of US dollars, unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Sales and marketing expenses	14,161	10,595	28,722	21,468
<i>Sales and marketing expenses (%)</i>	51%	54%	53%	57%
Less: Share-based payments and related expenses	1,539	240	3,070	458
Less: Acquisition-related compensation	37	-	71	-
Adjusted Sales and Marketing Expenses	12,585	10,355	25,581	21,010
<i>Adjusted Sales and Marketing Expenses (%)</i>	45%	53%	47%	56%
Research and product development expenses	8,963	5,528	18,095	10,370
<i>Research and product development expenses (%)</i>	32%	28%	33%	27%
Less: Share-based payments and related expenses	1,688	238	3,121	437
Less: Acquisition-related compensation	47	121	135	242
Adjusted Research and Product Development Expenses	7,228	5,169	14,839	9,691
<i>Adjusted Research and Product Development Expenses (%)</i>	26%	26%	27%	26%
General and administrative expenses	7,722	5,516	14,815	9,662
<i>General and administrative expenses (%)</i>	28%	28%	27%	26%
Less: Share-based payments and related expenses	2,058	205	3,243	415
Less: Acquisition-related compensation	6	-	14	-
Less: Transaction-related expenses	-	1,330	-	1,330

Less: Charitable contributions	53	28	99	59
Adjusted General and Administrative Expenses	5,605	3,953	11,459	7,858
<i>Adjusted General and Administrative Expenses (%)</i>	<i>20%</i>	<i>20%</i>	<i>21%</i>	<i>21%</i>

Condensed Interim Consolidated Statements of Financial Position

(expressed in thousands of US dollars, unaudited)

	September 30, 2022	March 31, 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	204,817	223,072
Trade and other receivables	25,327	25,476
Refundable tax credits	5,923	10,443
Prepaid expenses	4,940	5,861
	<u>241,007</u>	<u>264,852</u>
Non-current assets		
Contract acquisition costs	10,572	10,858
Property and equipment	7,185	8,704
Intangible assets	16,012	20,605
Right-of-use assets	7,911	9,255
Deferred tax assets	4,079	4,616
Goodwill	24,114	26,610
Total assets	<u>310,880</u>	<u>345,500</u>
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	20,287	22,910
Current portion of deferred revenue	53,047	49,879
Current portion of lease obligations	1,803	1,916
	<u>75,137</u>	<u>74,705</u>
Non-current liabilities		
Deferred revenue	398	513
Lease obligations	9,453	11,169
Deferred tax liabilities	2,806	3,677
Total liabilities	<u>87,794</u>	<u>90,064</u>
Shareholders' equity		
Share capital	862,742	859,944
Contributed surplus	25,162	15,295
Deficit	(614,708)	(592,256)
Accumulated other comprehensive loss	(50,110)	(27,547)
Total shareholders' equity	<u>223,086</u>	<u>255,436</u>
Total liabilities and shareholders' equity	<u>310,880</u>	<u>345,500</u>

Condensed Interim Consolidated Statements of Cash Flows

(expressed in thousands of US dollars, unaudited)

	Six months ended September 30,
	2022
	2021

	\$	\$
Cash flows from (used in) operating activities		
Net income (loss)	(22,452)	11,348
Items not affecting cash		
Amortization of contract acquisition costs	2,199	1,810
Depreciation of property and equipment	1,352	1,301
Amortization of intangible assets	2,265	56
Depreciation of right-of-use assets	793	761
Interest accretion	-	9,153
Change in redeemable preferred shares – conversion rights component fair value	-	(30,228)
Share-based payments	11,138	1,474
Interest on lease obligations	331	374
Change in fair value of short-term investments	-	91
Variation of deferred tax assets and liabilities	196	(4,944)
Unrealized foreign exchange gain	(1,316)	(447)
Changes in non-cash working capital items	4,579	(6,394)
	(915)	(15,645)
Cash flows from (used in) investing activities		
Proceeds from disposal of short-term investments	-	29,872
Additions to property and equipment	(709)	(667)
Additions to intangible assets	(5)	(601)
	(714)	28,604
Cash flows from (used in) financing activities		
Proceeds from exercise of stock options	1,527	122
Payments on lease obligations	(1,265)	(1,132)
	262	(1,010)
Effect of foreign exchange rate changes on cash and cash equivalents	(16,888)	(171)
Increase (decrease) in cash and cash equivalents during the period	(18,255)	11,778
Cash and cash equivalents – beginning of period	223,072	55,399
Cash and cash equivalents – end of period	204,817	67,177



Source: Coveo Solutions Inc.