



Coveo Reports Third Quarter Fiscal 2024 Financial Results

*SaaS Subscription Revenue⁽¹⁾ of \$29.9 million, ahead of previous guidance
Operating loss reduced by 40% year-over-year; Adjusted Operating Loss⁽²⁾ well ahead of guidance
Continued strong early demand for Coveo Relevance Generative Answering™ from customers*

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

MONTREAL and SAN FRANCISCO – February 5, 2024 – [Coveo](#) (TSX: CVO), a leading provider of enterprise AI platforms that enable individualized, connected, and trusted digital experiences at scale with semantic search, AI recommendations, and GenAI answering, today announced financial results for its third quarter of fiscal 2024 ended December 31, 2023.

"We had a strong third quarter and saw a broad resurgence in new bookings with new and existing customers," said Louis Têtu, Chairman and CEO of Coveo. "We believe we are beginning to see the strong early interest in generative AI turning into tangible opportunities with customers, especially in situations with a compelling ROI. Our leading AI platform is strategically positioned to empower customers to leverage AI, helping them to drive higher revenue and profitability and improve overall efficiency across their operations. We believe the GA release of Relevance Generative Answering™ in December will allow us to continue to build on this momentum."

Third Quarter Fiscal 2024 Financial Highlights

(All comparisons are relative to the three-month period ended December 31, 2022, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$29.9 million compared to \$26.4 million, an increase of 13%.
- Total revenue was \$31.8 million compared to \$28.5 million, an increase of 11%.
- Gross margin was 77% and product gross margin was 81%, both consistent with last year.
- Operating loss was \$6.5 million compared to \$10.7 million, and Adjusted Operating Loss⁽²⁾ was \$1.7 million compared to \$3.9 million, both representing significant improvements.
- Net loss was \$6.2 million compared to net loss of \$10.0 million.
- Cash flows used in operating activities were \$2.3 million for the quarter and \$0.4 million year-to-date.
- Cash and cash equivalents were \$163.1 million as of December 31, 2023.

Third Quarter Fiscal 2024 Business Highlights

- Net Expansion Rate⁽¹⁾ of 105% as of December 31, 2023. Net Expansion Rate was 109% excluding customer attrition from customers using certain deprioritized legacy Qubit product capabilities⁽³⁾.
- The company continues to see strong momentum with its enterprise-ready Relevance Generative Answering™ solution, an extension of its AI platform that combines Large Language Model ("LLM") technology with secure indexing and AI relevance capabilities. Coveo signed agreements with customers such as SAP Concur and Blackbaud in the quarter, and has completed expansion transactions for Relevance Generative Answering™ in each of its four solution areas (commerce, service, websites, and workplace).
- Coveo announced the general availability of Relevance Generative Answering™ on December 15, following successful beta testing with a number of customers. Customers so far have seen notable benefits, such as a reported 40% reduction in customer search time and a 20% improvement in case deflection.

- The company introduced early access to Relevance Generative Answering™ for B2B and B2C commerce, revolutionizing eCommerce by providing scalable, secure, and traceable generative AI question-answering capabilities to drive better online customer experiences across product discovery and post-sales support.
- Coveo earned leadership recognition in The Forrester Wave™: Cognitive Search Platforms, 2023, excelling in the Intelligence, Roadmap, Pricing, Flexibility, and Transparency criteria, with a focus on its AI Search and Generative Experience platform. The report highlights Coveo's evolving cognitive search capabilities, advanced hybrid search, and strong integrations, making it a compelling choice for firms seeking automated relevancy tuning and impactful search experiences.
- Coveo was acknowledged as a Leader in the 2023 IDC MarketScape for General-Purpose Knowledge Discovery Software, highlighting strengths in pre-packaged solutions and content source integration / management, with recent advancements ensuring scalable, intuitive, and technology-agnostic solutions for transforming customer and employee interactions.

Financial Outlook

Following our strong third quarter of fiscal 2024, we are improving our outlook for SaaS Subscription Revenue, Total Revenue, and Adjusted Operating Loss for the full year. Coveo now anticipates SaaS Subscription Revenue⁽¹⁾, Total Revenue, and Adjusted Operating Loss⁽²⁾ to be in the following ranges:

	Q4 FY'24	Full Year FY'24
SaaS Subscription Revenue ⁽¹⁾	\$30.2 – \$30.7 million	\$118.0 – \$118.5 million
Total Revenue	\$32.1 – \$32.6 million	\$125.6 – \$126.1 million
Adjusted Operating Loss ⁽²⁾	\$2.0 – \$3.0 million	\$7.5 – \$8.5 million

Cash flows used in operating activities for the first nine months of fiscal 2024 were \$0.4 million. As such, the company remains on track to achieve positive operating cash flow in its next fiscal year (fiscal 2025).

These guidance ranges, including the timing to achieve positive operating cash flow, are based on several assumptions, including the following, in addition to those set forth under the “Forward-Looking Information” section below:

- Achieving expected levels of sales of SaaS subscriptions to new and existing customers, including timing of those sales, as well as expected levels of renewals of SaaS subscriptions with existing customers.
- 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⁽²⁾ and Adjusted Gross Margin Measures⁽⁴⁾.
- Expected financial performance as measured by our Adjusted Operating Expense Measures⁽²⁾ and Adjusted Operating Expense (%) Measures⁽⁴⁾.
- Stabilization of ongoing headwinds, including those related to economic and geopolitical factors, impacting sales cycles, pricing, and the ability to generate new business.
- Our ability to attract and retain key personnel required to achieve our plans.
- Similar foreign exchange rates, inflation rates, interest rates, customer spending, and other macro-economic conditions.
- Our financial outlook does not include the impact of acquisitions that may be announced or closed from time to time.

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 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 thereof.

* * * * *

- (1) SaaS Subscription Revenue and Net Expansion Rate are Key Performance Indicators of Coveo. Please see the "Key Performance Indicators" section below.
- (2) The Adjusted Gross Profit Measures, the Adjusted Operating Expense Measures, and Adjusted Operating Loss are non-IFRS measures. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.
- (3) Net Expansion Rate excluding legacy Qubit-related attrition. This customer attrition represents subscriptions of certain legacy Qubit customers using Qubit's product capabilities for non-core use cases that ultimately decided to not renew their subscriptions.
- (4) The Adjusted Gross Margin Measures, the Adjusted Operating Expense (%) Measures, and Adjusted Product Gross Margin are non-IFRS ratios. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.

Q3 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 third quarter fiscal year 2024. The call will be hosted by Louis Têtu, Chairman and CEO, and other members of its senior leadership team.

Conference Call: <https://emportal.ink/3v6O5c0>
Use the link above to join the conference call without operator assistance. If you prefer to have operator assistance, please dial: 1-888-664-6392

Live Webcast: <https://app.webinar.net/kyG796eaxji>
Webcast 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 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 Operating Loss, 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 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.sedarplus.ca for a description of these measures. Please refer to the financial tables appended to this press release 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" 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.

"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 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 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; and (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.

"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 on SaaS Subscription Revenue, Total Revenue, and Adjusted Operating Loss for the three months and the year ending March 31, 2024 and expectations and timing around achieving positive operating cash flow, as well as statements regarding the benefits and performance of Coveo Relevance Generative Answering (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, and Adjusted Operating Loss 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. Please refer to “Financial Outlook” above for more information.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions (including those discussed under “Financial Outlook” above 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” above): our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, expand our relationships with existing customers, and have existing customers renew their subscriptions; our ability to maintain successful strategic relationships with partners and other third parties; market awareness and acceptance of enterprise AI solutions in general and our products in particular; the market penetration of our new generative AI solutions, both with new and existing customers, and our ability to capture the generative AI opportunity; our future capital requirements, and availability of capital generally; the accuracy of our estimates of market opportunity, growth forecasts, and expectations and timing around achieving positive operating cash flow; 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; and our ability to convert pipeline into closed deals, and the timeframe thereof. 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 [. 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.

About Coveo

Coveo powers the digital experiences of the world's most innovative brands serving millions of people and billions of interactions across every digital experience. After a decade of enriching our market-leading platform with forward-thinking global enterprises, we know what it takes to gain a trusted AI-experience advantage.

We strongly believe that the future is business-to-person, that experience is today's competitive front line, a make or break for every business.

For enterprises to achieve this AI-experience advantage at scale, it is imperative to have an Enterprise Spinal and composable ability to deliver AI semantic search and generative experiences at each customer and employee interaction.

Our single SaaS AI platform and robust suite of AI & GenAI models are designed to transform the total experience from CX to EX across websites, ecommerce, service, and workplace. Powering individualized, trusted, and connected experiences across every interaction to delight customers and augment employees, and drive superior business outcomes.

Our platform is certified ISO 27001 certified, HIPAA compliant, SOC2 compliant, and 99.999% SLA resilient. We are a Salesforce Summit ISV Partner, an SAP® Endorsed App, and an Adobe Gold Partner.

Coveo is a trademark of Coveo Solutions, Inc.

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Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of US dollars, except share and per share data, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue				
SaaS subscription	29,901	26,389	87,842	75,861
Self-managed licenses and maintenance	-	298	-	912
Product revenue	29,901	26,687	87,842	76,773
Professional services	1,860	1,810	5,670	6,119
Total revenue	31,761	28,497	93,512	82,892
Cost of revenue				
Product	5,731	4,948	16,182	14,455
Professional services	1,439	1,656	4,467	5,455
Total cost of revenue	7,170	6,604	20,649	19,910
Gross profit	24,591	21,893	72,863	62,982
Operating expenses				
Sales and marketing	13,788	13,728	41,146	42,450
Research and product development	9,153	8,705	27,035	26,800
General and administrative	6,409	8,102	20,032	22,917
Depreciation of property and equipment	605	599	1,777	1,951
Amortization and impairment of intangible assets	721	1,072	5,926	3,337
Depreciation of right-of-use assets	383	388	1,182	1,181
Total operating expenses	31,059	32,594	97,098	98,636
Operating loss	(6,468)	(10,701)	(24,235)	(35,654)
Net financial revenue	(1,663)	(1,485)	(4,970)	(2,904)
Foreign exchange loss (gain)	1,583	735	1,327	(581)
Loss before income tax expense (recovery)	(6,388)	(9,951)	(20,592)	(32,169)
Income tax expense (recovery)	(236)	96	(1,032)	330
Net loss	(6,152)	(10,047)	(19,560)	(32,499)
Net loss per share – Basic and diluted	(0.06)	(0.10)	(0.19)	(0.31)
Weighted average number of shares outstanding – Basic and diluted	102,471,561	104,825,521	103,601,713	104,336,957

Condensed Interim Consolidated Statements of Loss and Comprehensive Income Loss

(expressed 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,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Share-based payments and related expenses				
Product cost of revenue	200	182	666	574
Professional services cost of revenue	119	157	432	466
Sales and marketing	810	1,375	1,747	4,445
Research and product development	1,391	1,487	4,622	4,608
General and administrative	1,518	2,163	5,334	5,406
Share-based payments and related expenses	4,038	5,364	12,801	15,499

Reconciliation of Adjusted Operating Loss to Operating Loss

(expressed in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Operating loss	(6,468)	(10,701)	(24,235)	(35,654)
Share-based payments and related expenses ⁽¹⁾	4,038	5,364	12,801	15,499
Amortization and impairment of acquired intangible assets ⁽²⁾	720	1,070	5,923	3,333
Acquisition-related compensation ⁽³⁾	-	21	-	407
Transaction-related expenses ⁽⁴⁾	-	324	-	324
Adjusted Operating Loss	(1,710)	(3,922)	(5,511)	(16,091)

- (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) These expenses represent the amortization and impairment of intangible assets acquired through the acquisition of Qubit. These costs are included in amortization and impairment of intangible assets. It includes an impairment of customer relationships acquired through the business combination with Qubit as described in note 5 of the condensed interim consolidated financial statements for the three and nine months ended December 31, 2023.
- (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.

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures

(expressed in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Total revenue	31,761	28,497	93,512	82,892
Gross profit	24,591	21,893	72,863	62,982
<i>Gross margin</i>	<i>77%</i>	<i>77%</i>	<i>78%</i>	<i>76%</i>
Add: Share-based payments and related expenses	319	339	1,098	1,040
Add: Acquisition-related compensation	-	6	-	172
Adjusted Gross Profit	24,910	22,238	73,961	64,194
<i>Adjusted Gross Margin</i>	<i>78%</i>	<i>78%</i>	<i>79%</i>	<i>77%</i>
Product revenue	29,901	26,687	87,842	76,773
Product cost of revenue	5,731	4,948	16,182	14,455
Product gross profit	24,170	21,739	71,660	62,318
<i>Product Gross margin</i>	<i>81%</i>	<i>81%</i>	<i>82%</i>	<i>81%</i>
Add: Share-based payments and related expenses	200	182	666	574
Add: Acquisition-related compensation	-	4	-	134
Adjusted Product Gross Profit	24,370	21,925	72,326	63,026
<i>Adjusted Product Gross Margin</i>	<i>82%</i>	<i>82%</i>	<i>82%</i>	<i>82%</i>
Professional services revenue	1,860	1,810	5,670	6,119
Professional services cost of revenue	1,439	1,656	4,467	5,455
Professional services gross profit	421	154	1,203	664
<i>Professional services gross margin</i>	<i>23%</i>	<i>9%</i>	<i>21%</i>	<i>11%</i>
Add: Share-based payments and related expenses	119	157	432	466
Add: Acquisition-related compensation	-	2	-	38
Adjusted Professional Services Gross Profit	540	313	1,635	1,168
<i>Adjusted Professional Services Gross Margin</i>	<i>29%</i>	<i>17%</i>	<i>29%</i>	<i>19%</i>

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

(expressed in thousands of US dollars, unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Sales and marketing expenses	13,788	13,728	41,146	42,450
<i>Sales and marketing expenses (%)</i>	43%	48%	44%	51%
Less: Share-based payments and related expenses	810	1,375	1,747	4,445
Less: Acquisition-related compensation	-	6	-	77
Adjusted Sales and Marketing Expenses	12,978	12,347	39,399	37,928
<i>Adjusted Sales and Marketing Expenses (%)</i>	41%	43%	42%	46%
Research and product development expenses	9,153	8,705	27,035	26,800
<i>Research and product development expenses (%)</i>	29%	31%	29%	32%
Less: Share-based payments and related expenses	1,391	1,487	4,622	4,608
Less: Acquisition-related compensation	-	8	-	143
Adjusted Research and Product Development Expenses	7,762	7,210	22,413	22,049
<i>Adjusted Research and Product Development Expenses (%)</i>	24%	25%	24%	27%
General and administrative expenses	6,409	8,102	20,032	22,917
<i>General and administrative expenses (%)</i>	20%	28%	21%	28%
Less: Share-based payments and related expenses	1,518	2,163	5,334	5,406
Less: Acquisition-related compensation	-	1	-	15
Less: Transaction-related expenses	-	324	-	324
Adjusted General and Administrative Expenses	4,891	5,614	14,698	17,172
<i>Adjusted General and Administrative Expenses (%)</i>	15%	20%	16%	21%

Condensed Interim Consolidated Statements of Financial Position
(expressed in thousands of US dollars, unaudited)

	December 31, 2023	March 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	163,118	198,452
Trade and other receivables	33,678	24,233
Government assistance	11,413	7,142
Prepaid expenses	6,957	8,707
	215,166	238,534
Non-current assets		
Contract acquisition costs	10,541	11,148
Property and equipment	6,170	6,846
Intangible assets	9,502	15,107
Right-of-use assets	6,557	7,645
Deferred tax assets	3,817	3,896
Goodwill	26,092	25,642
Total assets	277,845	308,818
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	21,917	21,435
Deferred revenue	64,145	55,260
Current portion of lease obligations	2,083	1,929
	88,145	78,624
Non-current liabilities		
Lease obligations	7,604	8,940
Deferred tax liabilities	1,723	2,721
Total liabilities	97,472	90,285
Shareholders' equity		
Share capital	834,370	868,409
Contributed surplus	37,613	25,949
Deficit	(651,548)	(631,988)
Accumulated other comprehensive loss	(40,062)	(43,837)
Total shareholders' equity	180,373	218,533
Total liabilities and shareholders' equity	277,845	308,818

Condensed Interim Consolidated Statements of Cash Flows
(expressed in thousands of US dollars, unaudited)

	Nine months ended December 31,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Net loss	(19,560)	(32,499)
Items not affecting cash		
Amortization of contract acquisition costs	3,337	3,302
Depreciation of property and equipment	1,777	1,951
Amortization and impairment of intangible assets	5,926	3,337
Depreciation of right-of-use assets	1,182	1,181
Share-based payments	11,759	15,628
Interest on lease obligations	407	482
Variation of deferred tax assets and liabilities	(987)	323
Unrealized foreign exchange loss (gain)	1,113	(581)
Changes in non-cash working capital items	(5,388)	7,728
	(434)	852
Cash flows used in investing activities		
Business combination, net of cash acquired	-	(475)
Additions to property and equipment	(953)	(1,046)
Additions to intangible assets	(23)	(5)
	(976)	(1,526)
Cash flows used in financing activities		
Proceeds from exercise of stock options	1,392	1,579
Tax withholding for net share settlement	(1,267)	(599)
Payments on lease obligations	(1,750)	(1,889)
Shares repurchased and cancelled	(29,649)	-
Repurchase of stock options	(4,553)	-
	(35,827)	(909)
Effect of foreign exchange rate changes on cash and cash equivalents	1,903	(13,924)
Decrease in cash and cash equivalents during the period	(35,334)	(15,507)
Cash and cash equivalents – beginning of period	198,452	223,072
Cash and cash equivalents – end of period	163,118	207,565
Cash	21,854	51,170
Cash equivalents	141,264	156,395