



Coveo Reports Fourth Quarter and Fiscal 2025 Financial Results

Best fourth quarter new business performance in the Company's history, accelerating expected revenue growth

Continued Generative AI momentum, with 3x y/y growth in customers

Cash Flows from Operating Activities of \$11.1 million for FY25

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

MONTREAL and SAN FRANCISCO – May 20, 2025 – [Coveo](#) (TSX: CVO), the leader in AI-Relevance, delivering best-in-class search and generative experiences that maximize business outcomes at every point-of-experience, today announced financial results for its fourth quarter and fiscal year 2025 ended March 31, 2025.

"We continue to see strong momentum in our business, as the market increasingly recognizes the importance of AI Search to their overall AI strategies" said Louis Têtu, Executive Chairman of Coveo. "We said that FY25 would see a market inflecting, with our customers moving from experimentation to adoption, and our results provide clear evidence of this. With strong bookings momentum seen in the past few quarters, we are now well positioned to deliver a re-acceleration of growth."

"Our customers continue to be a great source of validation for us. They are looking for tangible results and a clear ROI from their AI investments, and that is what our platform delivers. As we look ahead to fiscal year 2026, we will remain committed to delivering innovation, while focusing on customer excellence and operational discipline," said Laurent Simoneau, Co-Founder and CEO of Coveo.

Fourth Quarter and Fiscal 2025 Summary Financial Highlights

The following table summarizes our financial results for the fourth quarter and fiscal year 2025:

| <i>In millions of U.S. Dollars, except as otherwise indicated</i> | Q4 2025 | Q4 2024 | Change | FY 2025 | FY 2024 | Change |
|---|---------|---------|--------|----------|----------|--------|
| SaaS Subscription Revenue ⁽¹⁾ | \$32.6 | \$30.7 | 6% | \$126.6 | \$118.6 | 7% |
| Coveo core Platform ⁽²⁾ | \$31.6 | \$28.7 | 10% | \$121.3 | \$109.1 | 11% |
| Qubit Platform ⁽³⁾ | \$1.0 | \$2.0 | (50%) | \$5.3 | \$9.5 | (44%) |
| Total revenue | \$34.4 | \$32.6 | 5% | \$133.3 | \$126.1 | 6% |
| Gross margin | 79% | 79% | - | 79% | 78% | 1% |
| Product gross margin | 82% | 82% | - | 82% | 82% | - |
| Net loss | (\$6.3) | (\$4.1) | 56% | (\$13.8) | (\$23.6) | (42%) |
| Adjusted EBITDA ⁽⁴⁾ | \$0.7 | \$0.2 | 267% | \$1.0 | (\$2.4) | 142% |
| Cash flows from operating activities | \$6.8 | \$4.6 | 46% | \$11.1 | \$4.2 | 164% |

Fourth Quarter Fiscal 2025 Financial Highlights

(All comparisons are relative to the three-month period ended March 31, 2024, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$32.6 million, an increase of 6% compared to \$30.7 million. Within this, SaaS Subscription Revenue for Coveo's core Platform⁽²⁾ was \$31.6 million, an increase of 10%. On a constant currency and constant days basis, growth in Coveo's core subscription was 12%⁽⁹⁾.
- Total revenue was \$34.4 million compared to \$32.6 million, an increase of 5%.
- Gross margin was 79% and Product gross margin was 82%, comparable to the prior period.
- Adjusted EBITDA⁽⁴⁾ was \$0.7 million compared to \$0.2 million last year.
- Operating loss was \$7.6 million compared to \$5.5 million. Net loss was \$6.3 million compared to a net loss of \$4.1 million.
- The operating and net loss were impacted by an impairment loss of \$2.9 million related to our Qubit operations as a result of the decision to formally fully depreciate the Qubit Platform. This is part of a strategic decision to concentrate R&D, sales and marketing efforts on the Coveo core Platform.
- Cash flows from operating activities was \$6.8 million compared to \$4.6 million in the prior year.
- Cash and cash equivalents were \$124.8 million as of March 31, 2025.
- Net Expansion Rate⁽¹⁾ of 103% as of March 31, 2025. Net Expansion Rate⁽¹⁾ improved to 107% excluding customer attrition from customers using the Qubit Platform⁽⁵⁾, up 200 bps sequentially.

Full Year Fiscal 2025 Financial Highlights

(All comparisons are relative to the year ended March 31, 2024, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$126.6 million compared to \$118.6 million, an increase of 7%. Within this, SaaS Subscription Revenue for Coveo's core Platform⁽²⁾ was \$121.3 million compared to \$109.1 million, an increase of 11%.
- Total revenue was \$133.3 million compared to \$126.1 million, an increase of 6%.
- Gross margin was 79% compared to 78% in the prior period. Product gross margin was 82%, comparable to the prior period.
- Adjusted EBITDA⁽⁴⁾ was \$1.0 million compared to (\$2.4) million last year.
- Operating loss was \$25.9 million compared to \$29.7 million, and net loss was \$13.8 million compared to \$23.6 million.
- Cash flows from operating activities were \$11.1 million, compared to \$4.2 million in the prior year period.

Other Business Highlights

- Ongoing bookings momentum:
 - The best Q4 new business bookings performance in the company's history.
 - Second half fiscal 2025 new business bookings, grew +50% over the comparable year ago period.
 - Diversification across both land and expand transactions, with particular strength in expansion activity. Customers who expanded their use of Coveo in the quarter included Nestlé, The Dow Chemical Company, Arm Holdings Ltd., and Cummins among others.
- Coveo's Generative AI solutions saw another strong quarter:
 - Represented more than 25% of the company's Q4 new business bookings.
 - Customer count for Generative AI solutions increased ~30% sequentially and grew more than 3x from the prior year. Customers such as Docusign selected Coveo's Generative AI solution after a competitive and extensive evaluation period where the Company demonstrated the ability to improve case deflection rates and provide tangible ROI. Other customer wins and growth across existing customers included: Okta, Athenahealth and Cymbiotika.

- Customers are seeing success with Coveo’s Generative AI solutions and are growing their usage. The initial cohort of customers using our Generative AI solutions are in aggregate spending >50% more on such solutions than they were initially.
- Commerce momentum continues:
 - Ongoing momentum from the Company’s SAP partnership, with Q4 being the strongest quarter of bookings originating from our SAP partnership since its inception.
 - Announced at SHOPTALK that Coveo is now a Shopify Premier Technology Partner and Coveo AI Search and Product Discovery for Shopify is now officially available for access in the Shopify App Store. Guillemin International selected Coveo via this partnership in the quarter for their B2B commerce experience.
- Powering Agentic solutions:
 - Introduced Coveo for Agentforce, whereby Coveo expands its AI toolkit for developers with a suite of off-the-shelf APIs, and launched new Agentic AI Design Partner Program to make Gen AI and Agentic AI applications smarter, faster and better.

Financial Outlook

The company expects ongoing new business bookings momentum in fiscal 2026. This underpins the company’s guidance, which reflects revenue growth acceleration during fiscal 2026.

Taking into account the anticipated final churn on the Qubit platform, the revenue guidance below infers that growth in Coveo’s core SaaS Subscription revenue will be ~14% in Q1 of fiscal year 2026 and between 15-17% during the complete fiscal year 2026.

In light of the company’s growth outlook and improved operational efficiency, Coveo is making select strategic investments in innovation and go-to-market initiatives, aimed at further accelerating our growth rates. At the same time, it remains committed to operational rigor, maintaining strong unit economics, and sustaining positive operating cash flows.

Considering these factors, Coveo anticipates SaaS Subscription Revenue⁽¹⁾, Total Revenue, and Adjusted EBITDA⁽⁴⁾ for Q1 FY26 and fiscal year 2026 as follows:

| | Q1 FY’26 | FY’26 |
|--|---------------------------|---------------------------|
| SaaS Subscription Revenue ⁽¹⁾ | \$33.5 – \$34.0 million | \$141.5 – \$144.5 million |
| Total Revenue | \$34.9 – \$35.4 million | \$147.5 – \$150.5 million |
| Adjusted EBITDA ⁽⁴⁾ | (\$2.0) – (\$1.0) million | Approximately breakeven |

The company expects to continue to deliver positive operating cash flows based on the above guidance of approximately \$10 million for fiscal year 2026.

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

Q4 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 fourth quarter and fiscal year 2025. The call will be hosted by Louis Têtu, Executive Chairman, Laurent Simoneau, Co-Founder & Chief Executive Officer and Brandon Nussey, Chief Financial Officer.

Conference Call: <https://emportal.ink/4IW5l9U>

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

Live Webcast: <https://app.webinar.net/2dbL6erRvNA>

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

Non-IFRS Measures and Ratios

Coveo's unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this press release includes non-IFRS financial measures and ratios, namely (i) Adjusted EBITDA; (ii) Adjusted Gross Profit, Adjusted Product Gross Profit, and Adjusted Professional Services Gross Profit (collectively referred to as our "Adjusted Gross Profit Measures"); (iii) Adjusted Gross Margin, Adjusted Product Gross Margin, and Adjusted Professional Services Gross Margin (collectively referred to as our "Adjusted Gross Margin Measures"); (iv) Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses (collectively referred to as our "Adjusted Operating Expense Measures"); (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"), and (vi) SaaS Subscription Revenue in Coveo Core Platform at constant currency and constant days, including as a growth ratio (the "Constant Currency Measure/Ratio"). These measures and ratios are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures and ratios are provided as additional information to complement IFRS measures by providing further understanding of the company's results of operations from management's perspective.

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

See the "Non-IFRS Measures" section of our MD&A for the quarter and full-year ended March 31, 2025, which is available as of the date hereof under our profile on SEDAR+ at www.sedarplus.ca for a description of these measures (except for the Constant Currency Measure/Ratio, which is defined in the tables appended to this press release). Please refer to the financial tables appended to this press release for additional information including a reconciliation of (i) Adjusted EBITDA to net loss; (ii) Adjusted Gross Profit to gross profit; (iii) Adjusted Product Gross Profit to product gross profit; (iv) Adjusted Professional Services Gross Profit to professional services gross profit; (v) Adjusted Sales and Marketing Expenses to sales and marketing expenses; (vi) Adjusted Research and Product Development Expenses to research and product development expenses; (vii) Adjusted General and Administrative Expenses to general and administrative expenses, and (viii) SaaS Subscription Revenue in Coveo Core Platform at constant currency and constant days to SaaS Subscription Revenue.

Key Performance Indicators

This press release refers to "SaaS Subscription Revenue" and "Net Expansion Rate". They are operating metrics used in Coveo's industry. We monitor our key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans, and make strategic decisions. Our key performance indicators provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use industry metrics in the evaluation of issuers. Certain of our key performance

indicators are measures that do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other issuers and cannot be reconciled to a directly comparable IFRS measure. Our key performance indicators may be calculated and designated in a manner different than similar key performance indicators used by other companies.

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

“Net Expansion Rate” is calculated by considering a cohort of customers at the end of the period 12 months prior to the end of the period selected and dividing the SaaS Annualized Contract Value (“SaaS ACV”, as defined below) attributable to that cohort at the end of the current period selected, by the SaaS ACV attributable to that cohort at the beginning of the period 12 months prior to the end of the period selected. Expressed as a percentage, the ratio (i) excludes any SaaS ACV from new customers added during the 12 months preceding the end of the period selected; (ii) includes incremental SaaS ACV made to the cohort over the 12 months preceding the end of the period selected; (iii) is net of the SaaS ACV from any customers whose subscriptions terminated or decreased over the 12 months preceding the end of the period selected; and (iv) is currency neutral and as such, excludes the effect of currency variation.

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

Please also refer to the “Key Performance Indicators” section of our latest MD&A, which is available under our profile on SEDAR+ at www.sedarplus.ca, for additional details on the abovementioned key performance indicators. For greater certainty, for purposes of this press release, a “booking” is a binding commitment by a customer to purchase a Coveo solution. Bookings reflect annualized committed revenue under binding agreements and include transactions with new customers and increased or expanded usage of our solutions by existing customers.

Forward-Looking Information

This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including with respect to Coveo’s “financial outlook” (within the meaning of applicable securities laws) and related assumptions (as set forth below and elsewhere in this press release) for the three months ending June 30, 2025 and the year ending March 31, 2026, and expectations regarding the remaining Qubit SaaS ACV, bookings performance, revenue growth and operating cash flows (collectively, “forward-looking information”). This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “might”, “will”, “achieve”, “occur”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “target”, “opportunity”, “strategy”, “scheduled”, “outlook”, “forecast”, “projection”, or “prospect”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. In addition, any statements that refer to expectations, intentions, projections, or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates, and projections regarding future events or circumstances.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions (including those discussed under “Financial Outlook Assumptions” below and those discussed immediately hereunder) that we considered appropriate and reasonable as of the date such statements are made. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, actual results may vary from the forward-looking information contained herein.

Certain assumptions made in preparing the forward-looking information contained in herein include, without limitation (and in addition to those discussed under “Financial Outlook Assumptions” below): our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; our ability to expand our relationships with existing customers, and have existing customers renew their subscriptions; 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 generative AI and other new solutions, both with new and existing customers, and our ability to continue to capture the AI opportunities; our future capital requirements, and availability of capital generally; available liquidity under our credit facilities; the accuracy of our estimates of market opportunity, growth forecasts, and expectations around operating cash flows; our success in identifying and evaluating, as well as financing and integrating, any acquisitions, partnerships, or joint ventures; the significant influence of our principal shareholders; our ability to generate pipeline, and to convert pipeline into bookings, and the timeframe thereof; and our ability to execute on our expansion and growth plans more generally. Moreover, forward-looking information is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, that may cause the actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to current and prospective macro-economic uncertainties, including without limitation as a result of trade and monetary policy worldwide, and the risk factors described under “Risk Factors” in the company’s most recently filed Annual Information Form and under “Key Factors Affecting our Performance” in the company’s most recently filed MD&A, both available under our profile on SEDAR+ at [www.sedarplus.ca](#). There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information, which speaks only as of the date made. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

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

Financial Outlook Assumptions

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

- Remaining Qubit SaaS ACV⁽⁶⁾ will continue to churn in the first quarter of fiscal 2026 and until the end of fiscal 2026, with the revenue impact being that the SaaS Subscription Revenue⁽¹⁾ recognized in fiscal 2026 for subscriptions to the Qubit Platform will decline by more than half.
- Accelerating Bookings performance throughout fiscal 2026.
- Maintaining gross retention rates⁽⁷⁾ at their historical levels.

- 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.
- Customers that are in the market continuing to prioritize and adopt AI search solutions despite macroeconomic uncertainty.
- Achieving expected levels of implementations and other sources of professional services revenue.
- Maintaining planned levels of operating margin represented by our Adjusted Gross Profit Measures⁽⁴⁾ and Adjusted Gross Margin Measures⁽⁸⁾.
- The market for our solutions showing ongoing improvements in customer buying behaviors.
- Our ability to attract and retain key personnel required to achieve our plans.
- Foreign exchange rates environment remaining consistent with end of FY25 Q4 levels, and similar or better inflation rates, interest rates, customer spending, and other macro-economic conditions.
- Our ability to collect from our customers as planned, and to otherwise manage our cash inflows (including government grants and tax credits) and outflows as we currently expect.
- Expected financial performance as measured by our Adjusted Operating Expense Measures⁽⁴⁾ and Adjusted Operating Expense (%) Measures⁽⁸⁾.

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

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Notes to this press release:

- (1) SaaS Subscription Revenue and Net Expansion Rate are Key Performance Indicators of Coveo. Please see the "Key Performance Indicators" section below.
- (2) SaaS Subscription Revenue earned in connection with subscriptions by customers to the Coveo core Platform for the period, and thus excluding revenue from subscriptions to the Qubit Platform.
- (3) SaaS Subscription Revenue earned through subscriptions to the Qubit Platform for the period covered.
- (4) The Adjusted Gross Profit Measures, the Adjusted Operating Expense Measures, and Adjusted EBITDA are non-IFRS financial measures which may not be comparable to similar measures or ratios used by other companies. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.
- (5) Net Expansion Rate excluding the effect of SaaS ACV attributable to subscriptions to the Qubit Platform.
- (6) SaaS ACV 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.
- (7) Gross retention rate ("GRR") is generally calculated for a period by subtracting SaaS ACV contractions and losses over the period selected from SaaS ACV at the beginning of the period selected and dividing the result by the SaaS ACV from the beginning of the period selected. We use GRR to provide insight into the company's success in retaining existing customers.
- (8) 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.
- (9) SaaS Subscription Revenue in Coveo Core Platform at constant currency and constant days is a non-IFRS measure, which is also used as a non-IFRS ratio. Please see the "Non-IFRS Measures and Ratios" section below and the reconciliation tables within this release.

About Coveo

We strongly believe that the future is business-to-person. That experiences are today's competitive front line, a make or break for every business. We also believe that remarkable experiences not only enhance user satisfaction but also yield significant gains for enterprises. That is what we call the AI-experience advantage – the degree to which the content, products, recommendations, and advice presented to a person online aligns easily with their needs, intent, preferences, context, and behavior, resulting in superior business outcomes.

To realize this AI-experience advantage at scale, enterprises require a robust, spinal and composable infrastructure capable of unifying content securely and delivering AI search, AI recommendations, true personalization, and a trusted generative experience at every touchpoint with each individual customer, partner and employee. Coveo is dedicated to bringing this advantage to every point-of-experience, using powerful data and AI models to transform the enterprise in commerce, customer service, website, and workplace.

The Coveo platform is ISO 27001 and ISO 27018 certified, SOC2 compliant, and HIPAA compatible, with a 99.999% SLA available. We are a Salesforce AppExchange Partner, an SAP® Endorsed App, an Adobe Technology Gold Partner, a MACH Alliance member, Optimizely Partner, Shopify Partner and a Genesys AppFoundry® ISV Partner.

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Consolidated Statements Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars)

| | Three months ended March 31, | | Year ended March 31, | |
|---|---------------------------------|----------------|-------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| SaaS subscription | 32,616 | 30,739 | 126,631 | 118,581 |
| <i>Coveo core Platform</i> | 31,605 | 28,730 | 121,329 | 109,107 |
| <i>Qubit Platform</i> | 1,011 | 2,009 | 5,302 | 9,474 |
| Professional services | 1,734 | 1,843 | 6,641 | 7,513 |
| Total revenue | 34,350 | 32,582 | 133,272 | 126,094 |
| Cost of revenue | | | | |
| SaaS subscription | 5,862 | 5,551 | 22,969 | 21,733 |
| Professional services | 1,385 | 1,448 | 5,424 | 5,915 |
| Total cost of revenue | 7,247 | 6,999 | 28,393 | 27,648 |
| Gross profit | 27,103 | 25,583 | 104,879 | 98,446 |
| Operating expenses | | | | |
| Sales and marketing | 15,734 | 13,953 | 59,615 | 55,099 |
| Research and product development | 8,537 | 8,769 | 35,904 | 35,804 |
| General and administrative | 5,819 | 6,596 | 25,424 | 26,628 |
| Depreciation of property and equipment | 582 | 616 | 2,567 | 2,393 |
| Amortization and impairment of intangible assets | 3,612 | 729 | 5,817 | 6,655 |
| Depreciation of right-of-use assets | 381 | 384 | 1,472 | 1,566 |
| Total operating expenses | 34,665 | 31,047 | 130,799 | 128,145 |
| Operating loss | (7,562) | (5,464) | (25,920) | (29,699) |
| Net financial revenue | (1,023) | (1,704) | (5,063) | (6,674) |
| Foreign exchange loss (gain) | 278 | (1,006) | (5,526) | 321 |
| Loss before income tax expense (recovery) | (6,817) | (2,754) | (15,331) | (23,346) |
| Income tax expense (recovery) | (501) | 1,296 | (1,578) | 264 |
| Net loss | (6,316) | (4,050) | (13,753) | (23,610) |
| Net loss per share – Basic and diluted | (0.07) | (0.04) | (0.14) | (0.23) |
| Weighted average number of shares outstanding – Basic & diluted | 95,953,133 | 102,377,716 | 98,427,800 | 103,318,469 |

Consolidated Statements of Loss and Comprehensive Loss

(expressed in thousands of U.S. dollars)

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

| | Three months ended March 31, | | Year ended March 31, | |
|--|---------------------------------|--------------|-------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Share-based payments and related expenses | | | | |
| SaaS subscription cost of revenue | 216 | 278 | 817 | 944 |
| Professional services cost of revenue | 126 | 218 | 455 | 650 |
| Sales and marketing | 959 | 687 | 3,707 | 2,434 |
| Research and product development | 1,095 | 1,223 | 5,334 | 5,845 |
| General and administrative | 1,263 | 1,414 | 6,363 | 6,748 |
| Share-based payments and related expenses | 3,659 | 3,820 | 16,676 | 16,621 |

Reconciliation of Net Loss to Adjusted EBITDA

(expressed in thousands of U.S. dollars)

| | Three months ended March 31, | | Year ended March 31, | |
|--|---------------------------------|----------------|-------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Net loss | (6,316) | (4,050) | (13,753) | (23,610) |
| Net financial revenue | (1,023) | (1,704) | (5,063) | (6,674) |
| Foreign exchange loss (gain) | 278 | (1,006) | (5,526) | 321 |
| Income tax recovery | (501) | 1,296 | (1,578) | 264 |
| Share-based payments and related expenses ⁽¹⁾ | 3,659 | 3,820 | 16,676 | 16,621 |
| Amortization and impairment of intangible assets | 3,612 | 729 | 5,817 | 6,655 |
| Depreciation expenses ⁽²⁾ | 963 | 1,000 | 4,039 | 3,959 |
| Transaction-related expenses ⁽³⁾ | - | 98 | 388 | 98 |
| Adjusted EBITDA | 672 | 183 | 1,000 | (2,366) |

(1) These expenses relate to issued stock options and share-based awards under our share-based plans to our employees and directors as well as related payroll taxes that are directly attributable to the share-based payments. These costs are included in product and professional services cost of revenue, sales and marketing, research and product development, and general and administrative expenses.

(2) Depreciation expenses include depreciation of property and equipment and depreciation of right-of-use assets.

(3) These expenses relate to professional, legal, consulting, accounting, advisory, and other fees relating to transactions that would otherwise not have been incurred. These costs are included in general and administrative expenses.

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures

(expressed in thousands of U.S. dollars)

| | Three months ended March 31, | | Year ended March 31, | |
|--|---------------------------------|---------------|-------------------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Total revenue | 34,350 | 32,582 | 133,272 | 126,094 |
| Gross profit | 27,103 | 25,583 | 104,879 | 98,446 |
| <i>Gross margin</i> | 79% | 79% | 79% | 78% |
| Add: Share-based payments and related expenses | 342 | 496 | 1,272 | 1,594 |
| Adjusted Gross Profit | 27,445 | 26,079 | 106,151 | 100,040 |
| <i>Adjusted Gross Margin</i> | 80% | 80% | 80% | 79% |
| Product revenue | 32,616 | 30,739 | 126,631 | 118,581 |
| Product cost of revenue | 5,862 | 5,551 | 22,969 | 21,733 |
| Product gross profit | 26,754 | 25,188 | 103,662 | 96,848 |
| <i>Product gross margin</i> | 82% | 82% | 82% | 82% |
| Add: Share-based payments and related expenses | 216 | 278 | 817 | 944 |
| Adjusted Product Gross Profit | 26,970 | 25,466 | 104,479 | 97,792 |
| <i>Adjusted Product Gross Margin</i> | 83% | 83% | 83% | 82% |
| Professional services revenue | 1,734 | 1,843 | 6,641 | 7,513 |
| Professional services cost of revenue | 1,385 | 1,448 | 5,424 | 5,915 |
| Professional services gross profit | 349 | 395 | 1,217 | 1,598 |
| <i>Professional services gross margin</i> | 20% | 21% | 18% | 21% |
| Add: Share-based payments and related expenses | 126 | 218 | 455 | 650 |
| Adjusted Professional Services Gross Profit | 475 | 613 | 1,672 | 2,248 |
| <i>Adjusted Professional Services Gross Margin</i> | 27% | 33% | 25% | 30% |

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

(expressed in thousands of U.S. dollars)

| | Three months ended March 31, | | Year ended March 31, | |
|--|---------------------------------|---------------|-------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Sales and marketing expenses | 15,734 | 13,953 | 59,615 | 55,099 |
| <i>Sales and marketing expenses (% of total revenue)</i> | 46% | 43% | 45% | 44% |
| Less: Share-based payments and related expenses | 959 | 687 | 3,707 | 2,434 |
| Adjusted Sales and Marketing Expenses | 14,775 | 13,266 | 55,908 | 52,665 |
| <i>Adjusted Sales and Marketing Expenses (% of total revenue)</i> | 43% | 41% | 42% | 42% |
| Research and product development expenses | 8,537 | 8,769 | 35,904 | 35,804 |
| <i>Research and product development expenses (% of total revenue)</i> | 25% | 27% | 27% | 28% |
| Less: Share-based payments and related expenses | 1,095 | 1,223 | 5,334 | 5,845 |
| Adjusted Research and Product Development Expenses | 7,442 | 7,546 | 30,570 | 29,959 |
| <i>Adjusted Research & Product Development Expenses (% of total revenue)</i> | 22% | 23% | 23% | 24% |
| General and administrative expenses | 5,819 | 6,596 | 25,424 | 26,628 |
| <i>General and administrative expenses (% of total revenue)</i> | 17% | 20% | 19% | 21% |
| Less: Share-based payments and related expenses | 1,263 | 1,414 | 6,363 | 6,748 |
| Less: Transaction-related expenses | - | 98 | 388 | 98 |
| Adjusted General and Administrative Expenses | 4,556 | 5,084 | 18,673 | 19,782 |
| <i>Adjusted General and Administrative Expenses (% of total revenue)</i> | 13% | 16% | 14% | 16% |

Reconciliation of SaaS Subscription Revenue and SaaS Subscription Revenue at Constant Currency and Constant Days of the Coveo core Platform

(expressed in thousands of U.S. dollars)

| | Three months ended March 31, 2025 |
|--|--------------------------------------|
| | \$ |
| SaaS Subscription Revenue, as reported | 32,616 |
| SaaS Subscription Revenue in Coveo core Platform ⁽¹⁾ | 31,605 |
| Foreign exchange impact | 351 |
| Additional SaaS Subscription Revenue Day ⁽²⁾ impact | 336 |
| SaaS Subscription Revenue in Coveo core Platform in constant currency and constant days | 32,292 |
| Growth at constant currency and constant days ⁽³⁾ | 12% |

(1) SaaS Subscription Revenue earned in connection with subscriptions by customers to the Coveo core Platform for the period, and thus excluding revenue from subscriptions to the Qubit Platform

(2) As defined immediately below.

(3) Growth in SaaS Subscription Revenue in the Coveo Core Platform at constant currency and constant days means the year-over-year change in SaaS Subscription Revenue in the Coveo core Platform at constant currency including, for the current period, the Additional SaaS Subscription Revenue Day, divided by the SaaS Subscription Revenue in the Coveo Core Platform in the prior period of \$28.7 million.

In this table, SaaS Subscription Revenue in currencies other than US dollars are converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

Furthermore, SaaS Subscription Revenue of the Coveo core Platform for the current period is adjusted to add the Additional SaaS Subscription Revenue Day, as the prior period had one more full day of SaaS Subscription Revenue recognition as a result of calendar year 2024 being a leap year with 366 days.

"Additional SaaS Subscription Revenue Day" means an amount equal to the SaaS Subscription Revenue of the Coveo core platform for the three-month period ended March 31, 2025, divided by the number of days in the three-month period ended March 31, 2025, and multiplied by the number of days in comparative period of fiscal year 2024.

"SaaS Subscription Revenue in Coveo Core Platform at constant currency and constant days" means the SaaS Subscription Revenue of the Company earned in connection with subscriptions by customers to the Coveo core Platform for the period, and thus excluding revenue from subscriptions to the Qubit Platform, adjusted for the impact of foreign currency exchange fluctuations and to reflect the Additional SaaS Subscription Revenue Day.

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

| | March 31, 2025 | March 31, 2024 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 124,752 | 166,586 |
| Trade and other receivables | 36,564 | 29,947 |
| Government assistance | 6,280 | 9,987 |
| Prepaid expenses | 9,845 | 8,622 |
| | 177,441 | 215,142 |
| Non-current assets | | |
| Contract acquisition costs | 10,908 | 10,168 |
| Property and equipment | 4,192 | 5,608 |
| Intangible assets | 3,012 | 8,710 |
| Right-of-use assets | 5,179 | 6,032 |
| Deferred tax assets | 3,337 | 4,265 |
| Goodwill | 26,290 | 25,960 |
| Total assets | 230,359 | 275,885 |
| Liabilities | | |
| Current liabilities | | |
| Trade payable and accrued liabilities | 18,602 | 21,822 |
| Deferred revenue | 77,387 | 64,731 |
| Current portion of lease obligations | 1,999 | 2,153 |
| | 97,988 | 88,706 |
| Non-current liabilities | | |
| Lease obligations | 5,464 | 6,885 |
| Deferred tax liabilities | - | 1,771 |
| Total liabilities | 103,452 | 97,362 |
| Shareholders' Equity | | |
| Share capital | 768,754 | 836,271 |
| Contributed surplus | 76,273 | 40,484 |
| Deficit | (669,351) | (655,598) |
| Accumulated other comprehensive loss | (48,769) | (42,634) |
| Total shareholders' equity | 126,907 | 178,523 |
| Total liabilities and shareholders' equity | 230,359 | 275,885 |

Consolidated Statements of Cash Flows
(expressed in thousands of U.S. dollars)

| | 2025 | 2024 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Net loss | (13,753) | (23,610) |
| Items not affecting cash | | |
| Amortization of contract acquisition costs | 4,354 | 4,426 |
| Depreciation of property and equipment | 2,567 | 2,393 |
| Amortization and impairment of intangible assets | 5,817 | 6,655 |
| Depreciation of right-of-use assets | 1,472 | 1,566 |
| Share-based payments | 17,309 | 15,214 |
| Interest on lease obligations | 415 | 532 |
| Deferred income tax recovery | (1,034) | (705) |
| Unrealized foreign exchange loss (gain) | (4,223) | 105 |
| Changes in non-cash working capital items | (1,856) | (2,376) |
| | 11,068 | 4,200 |
| Cash flows used in investing activities | | |
| Additions to property and equipment | (1,484) | (1,098) |
| Additions to intangible assets | (46) | (23) |
| | (1,530) | (1,121) |
| Cash flows used in financing activities | | |
| Proceeds from exercise of stock options | 1,371 | 2,376 |
| Tax withholding for net share settlement | (2,861) | (1,452) |
| Payments on lease obligations | (2,456) | (2,313) |
| Shares repurchased and cancelled | (46,868) | (29,649) |
| Repurchase of stock options | - | (4,553) |
| | (50,814) | (35,591) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (558) | 646 |
| Decrease in cash and cash equivalents during the year | (41,834) | (31,866) |
| Cash and cash equivalents – beginning of year | 166,586 | 198,452 |
| Cash and cash equivalents – end of year | 124,752 | 166,586 |
| Cash | 63,785 | 25,731 |
| Cash equivalents | 60,967 | 140,855 |