



Fiscal 2024 Q1 Financial Results

For the three months ended June 30, 2023

August 8, 2023

Disclaimer

This presentation (“Presentation”) is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in our Annual Information Form dated May 30, 2023 (the “AIF”), as well as in our condensed interim consolidated financial statements (unaudited) for the three-month periods ended June 30, 2023 and 2022, together with the notes thereto (collectively, the “Financial Statements”), as well as the management’s discussion and analysis (the “MD&A”) in respect thereof. Prospective investors should not assume that the information contained in this Presentation is accurate as of any date other than the date of this Presentation, or where information is stated to be as of a date other than the date of this Presentation, such other applicable date. Subject to our obligations under applicable Canadian securities laws, the information contained in this Presentation is accurate only as of the date of this Presentation regardless of the time of delivery of this Presentation. All references to “US\$”, “\$”, and “U.S. dollars” are to United States dollars and all references to “C\$” are to Canadian dollars. This Presentation should not be treated as giving investment advice and is not intended to form the basis of any investment decision. Readers should not construe the contents of this Presentation as legal, tax, regulatory, financial or accounting advice.

Forward-Looking Information

This Presentation contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including with respect to Coveo’s financial outlook on SaaS Subscription Revenue, Total Revenue and Adjusted Operating Loss for the three months ending on June 30, 2023 and the fiscal year ending March 31, 2024 and expectations around achieving positive operating cash flow and the timing thereof (collectively, “forward-looking information”) within the meaning of applicable securities laws. Please refer to the “Forward-Looking Information” section of our earnings press release dated August 8, 2023 for a cautionary statement regarding forward-looking information included in this Presentation. Such cautionary statement is deemed to be included by reference in this Presentation.

Market, Industry, and Other Data

Coveo believes that the market, industry, customer and other data presented in this Presentation is reliable and, with respect to data prepared by Coveo or on its behalf, that Coveo’s estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. Coveo has not independently verified the accuracy or completeness of any of the data from third-party sources (including customers) referred to in this Presentation, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, industry and other assumptions relied upon by such sources.

Non-IFRS Measures and Ratios

The information presented in this Presentation includes non-IFRS financial measures and ratios. These measures and ratios should not be considered in isolation nor as a substitute for analysis of Coveo’s financial information reported under IFRS. These measures and ratios are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these non-IFRS financial measures and ratios are provided as additional information to complement those IFRS measures and ratios by providing further understanding of Coveo’s results of operations from management’s perspective. Coveo’s management also uses non-IFRS financial measures and ratios in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management compensation. Coveo believes the non-IFRS measures and ratios used in this Presentation provide its management and investors consistency and comparability with its past financial performance and facilitate period-to-period comparisons of operations, as they generally eliminate the effects of certain variables from period to period for reasons unrelated to overall operating performance. Please refer to the “Definition of Non-IFRS Measures and Ratios” section of the Appendix for details of the composition of Adjusted Operating Loss, Adjusted Gross Profit, Adjusted Product Gross Profit, Adjusted Professional Services Gross Profit, Adjusted Gross Profit (%), Adjusted Product Gross Profit (%), Adjusted Professional Services Gross Profit (%), Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, Adjusted General and Administrative Expenses, Adjusted Sales and Marketing Expenses (%), Adjusted Research and Product Development Expenses (%), Adjusted General and Administrative Expenses (%), SaaS Subscription Revenue at constant currency, total revenue at constant currency, SaaS Subscription Revenue growth at constant currency and total revenue growth at constant currency presented by Coveo, as well as the reconciliations of such measures to the most directly comparable IFRS measure, where applicable.

Key Performance Indicators

This Presentation refers to SaaS Subscription Revenue, Current Remaining Performance Obligations, SaaS Annualized Contract Value, and Net Expansion Rate, which are operating metrics used in Coveo’s industry. We monitor such key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans and make strategic decisions. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies. Please refer to the “Definition of Key Performance Indicators” section of the Appendix for the definitions of the key performance indicators used throughout this Presentation.

Une copie de cette présentation peut être obtenue en français sur demande. A French copy of this presentation can be made available upon request.



Q1 Performance Highlights



Louis Têtu
Chairman and CEO

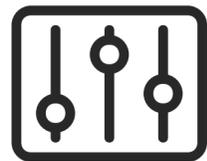
Q1 FY'24 Highlights



19% (20% in cc⁽¹⁾)
SaaS Subscription
Revenue⁽²⁾ Growth



15% (16% in cc⁽¹⁾)
Total Revenue Growth



\$2.8M
Adjusted Operating Loss⁽³⁾



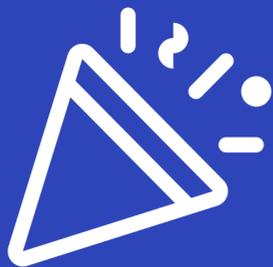
109%
Net Expansion Rate⁽²⁾

(1) SaaS Subscription Revenue growth at constant currency and total revenue growth at constant currency are non-IFRS ratios. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation tables in the Appendix for definitions of such measures and reconciliations to SaaS Subscription Revenue growth and total revenue growth, respectively.

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

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

We had some recent notable achievements



June 28, 2023 | Montreal, QC and San Francisco, CA

Coveo's AI Platform Earns Coveted ISO 27001 Certification: Setting the Standard for Security and Trust

Coveo's market-leading AI Platform, the Coveo Relevance Cloud™, continues demonstrating strength in security by achieving global security standard with ISO 27001

July 12, 2023 | Montreal, QC and San Francisco, CA

Coveo's Relevance AI Platform Wins Coveted Best LLM Application Award in 2023 AI Breakthrough Awards, reinforcing its AI Leadership and Paving the Way for its New Groundbreaking GenAI Solution

Prestigious International Annual Awards Program Honors Standout AI and Machine Learning Solutions and Companies

July 27, 2023 | Montreal, QC and San Francisco, CA

Customers Name Coveo Best Enterprise Search Vendor for the Third Consecutive Year in SoftwareReviews' 2023 Emotional Footprint

Coveo receives highest customer satisfaction rankings among Enterprise Search Vendors



The Coveo Relevance Cloud™ AI Platform

A Secure, unified, enriched large scale **content index**

B **AI personalization algorithms** based on contextual data, behavioral analytics, intent detection, and more

Coveo is uniquely positioned, now, to solve key GenAI challenges for enterprises

Coveo Relevance Generative Answering™

- ▶ Secure
- ▶ Truthful & current
- ▶ Auditable prompts & responses
- ▶ Dynamically grounded
- ▶ Integrated with search and discovery
- ▶ Largely scalable
- ▶ Cost effective

Highly relevant and secure content to generate your answers from

Relevant, personalized, secure corpus of content feeds prompt engineering and grounding, from unified index, embeddings and vectordb



LLMs

Most suitable generative and conversational technology, controlled by AI-powered relevance layer

Coveo Relevance Generative Answering™

Industry's most powerful platform for Enterprise AI & GenAI experiences

- Secure
- Truthful & current
- Auditable prompts and responses
- Dynamically grounded
- Integrated with search and discovery
- Largely scalable
- Cost effective

AI-powered navigation and discovery, dynamic facet selection based on semantics

Relevant, personalized, AI search results - coherent with generative answers, from secure unified index

The screenshot shows the Coveo search interface. At the top, there is a search bar with the query "how can coveo work within servicenow and how to install it?". Below the search bar, there is a "Generated answer for you" section with a "Reformulate" button and icons for "Steps", "Bullets", "Like", and "Comment". The answer text describes Coveo for ServiceNow as an AI-powered search and recommendation integration. Below the answer, there are "References: 2, 3, 4, 5" and a "Learn more" section with five numbered links. On the left side, there is a sidebar with filters for "Resource type", "Audience", "Developer Tool", and "Intent". The "Resource type" filter is set to "Product Documentation" (1,346). Below the filters, there are "Results 1-10 of 1,346 for how can coveo work within servicenow and how to install it". The results list includes "Architecture | Coveo for ServiceNow", "Coveo for ServiceNow", and "Manage Stop Word Rules | Coveo".

Coveo is "Customer zero" for our own customer service

"Intent" box: search query or long form conversational question

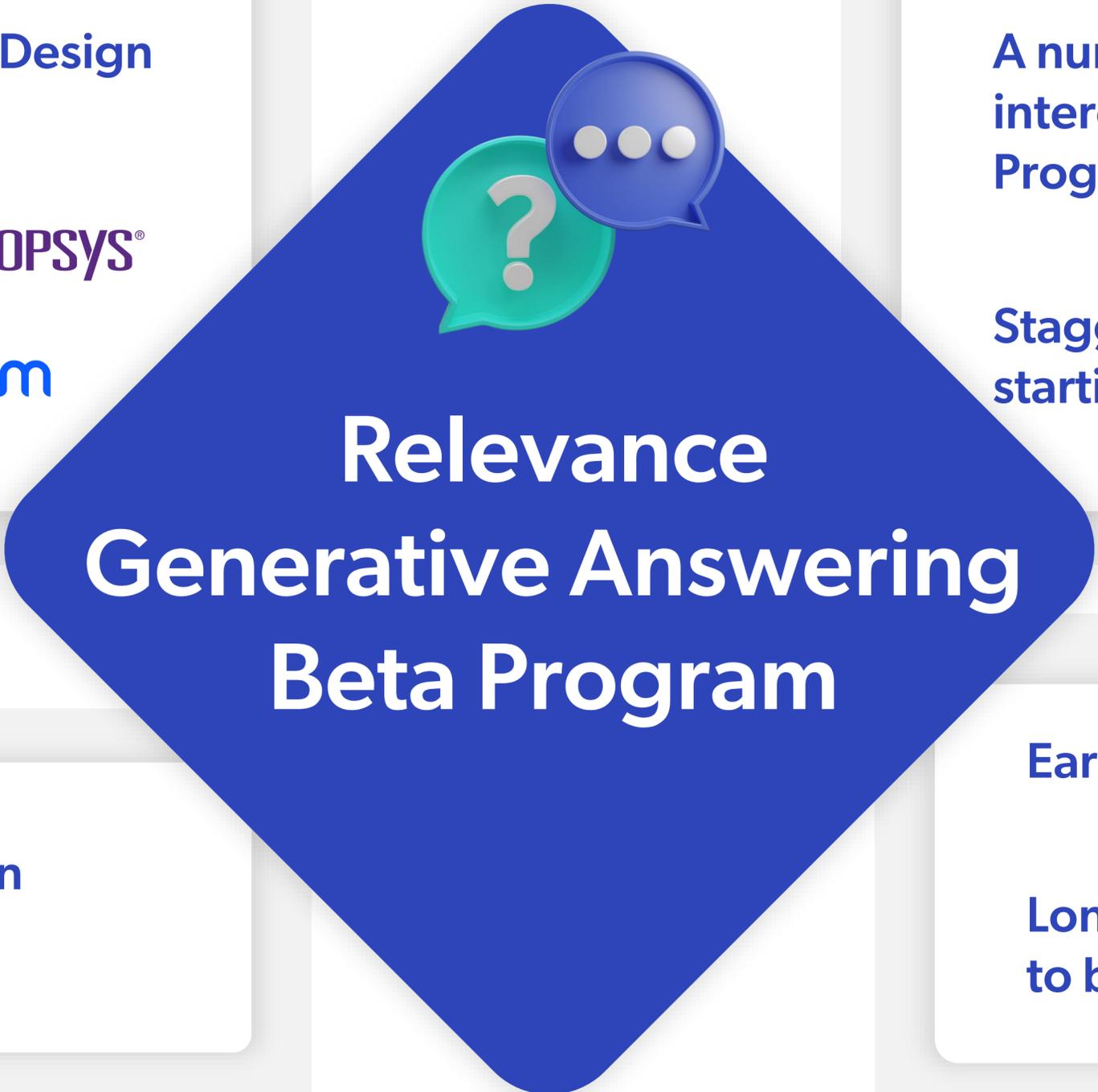
Secure, truthful, current, grounded, verifiable generative answer

Generative answer from multiple sources of content

Sources of truth, citations

Instant access to reference details

20 Premier and Standard Design partners including:



**Relevance
Generative Answering
Beta Program**

A number of customers interested in the Early Access Program

Staggered product access starting in Q2 FY'24

25 enterprise customers in the Advisory Group

Early adopter pricing offered

Long-term pricing expected to be finalized in FY'24

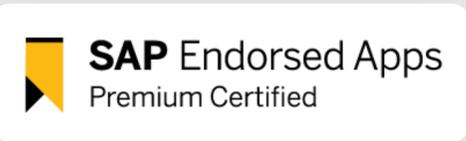


Key Go-to-Market Partnerships



Commerce

B2B
B2C retail



Service

Self-Service
Contact Centers



Platform

Websites
Workplace



Large US-based **Wine and Spirits Distributor**

Partnership with Coveo to **improve their B2B eCommerce portal**

Competitive win based on:

1. Maturity of our enterprise platform
2. Ability to handle complex B2B catalog
3. Strong partnership with SAP

Coveo implementation to improve product search relevancy, leading to:

- ▶ Reduced time and effort for customers to build orders
- ▶ Increased adoption and revenue growth
- ▶ Utilization of product and content recommendations for upselling and cross-selling, with the goal of enhancing and elevating the consumer experience

Commerce
Customer Highlight

Future rollout:

Extend Coveo to Sales Portal for internal staff benefit and enhanced customer support

A Pioneer in the **Global Automotive Industry**

Global presence in **wholesale, retail, and franchise operations**

Competitive win based on:

- ▶ Coveo's mature AI infrastructure showcased through a Business Value Assessment
- ▶ Rapid time-to-value demonstrated by Coveo's capabilities
- ▶ Single platform and index for managing search operations
- ▶ Coveo identified as the only suitable solution for supporting search in their complex B2B environment

**Coveo
enables easy
scalability of search
functionality across
brands and use
cases**

US-Based Leader in Higher Education

Offering flexible **online and on-campus degrees**

Competitive win based on:

- ▶ Coveo's trusted partnership with Salesforce
- ▶ Our superior technical capabilities
- ▶ Ability to demonstrate reduced resource maintenance
- ▶ Enhancing self-service and agent interactions for students and staff emphasized as key outcomes



Leading **Financial Services** Company

Providing **financial advice** and **retirement planning** to more than **7 million clients** in North America

Competitive win based on:

- ▶ Coveo's maturity as a leading SaaS solution with a strong user experience focus
- ▶ Coveo's value proposition centered on relevant Workplace search
- ▶ Targeting an extensive employee base of over 50,000 people, with a primary focus on enhancing the experience for approximately 20,000 financial advisors and supporting office admins

**Business
Value Assessment
showed high ROI in
year 1 from
time savings**





Q1 Financial Highlights



Brandon Nussey
CFO

Revenue Growth

USD millions, except %	Q1 FY'24	YoY
Total Revenue	\$30.5	15% 16% in cc⁽¹⁾
SaaS Subscription Revenue⁽²⁾ <i>% of Total Revenue</i>	\$28.5 <i>93%</i>	19% 20% in cc⁽¹⁾
Professional Services <i>% of Total Revenue</i>	\$2.0 <i>7%</i>	(6%)

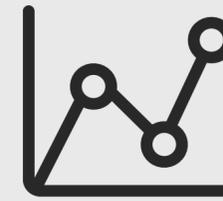
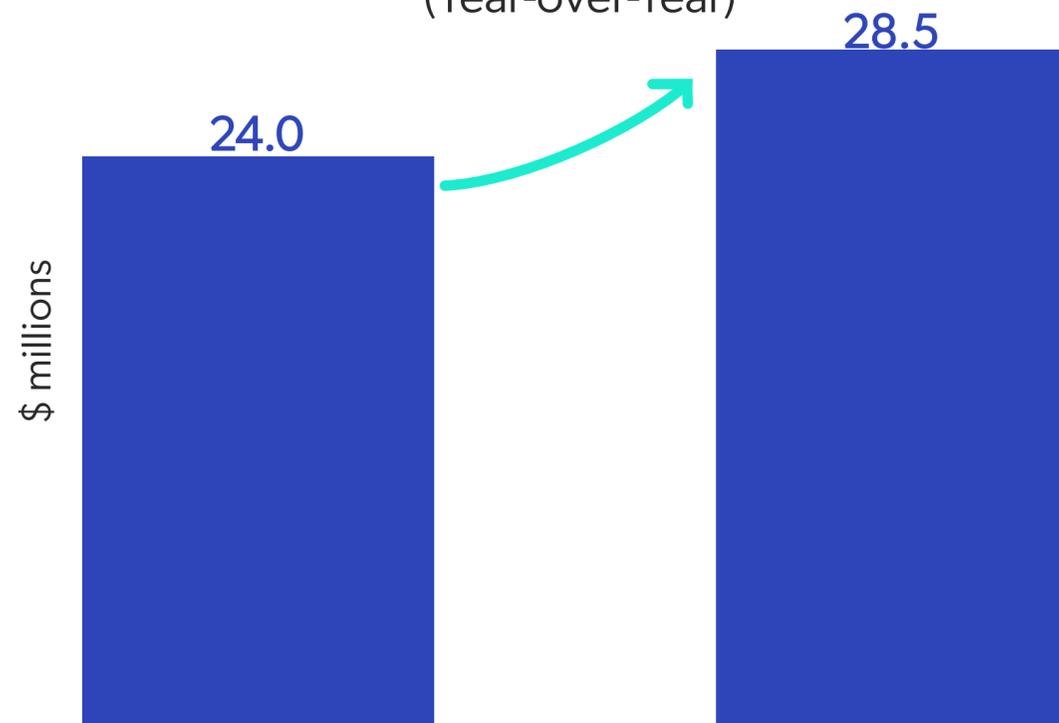
(1) SaaS Subscription Revenue growth at constant currency and total revenue growth at constant currency are non-IFRS ratios. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation tables in the Appendix for definitions of such measures and reconciliations to SaaS Subscription Revenue growth and total revenue growth, respectively.

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

Key Performance Indicators

19% (20% in cc*)

Q1 FY'24 SaaS Subscription Revenue⁽¹⁾
Growth
(Year-over-Year)



109%

Net Expansion Rate⁽¹⁾

As of Jun. 30, 2023



\$94.4M, up 12% YoY

Current SaaS Subscription
Remaining Performance
Obligations⁽¹⁾

As of Jun. 30, 2023

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

* SaaS Subscription Revenue growth at constant currency is a non-IFRS ratio. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and the reconciliation tables in the Appendix for definitions of such measures and reconciliations to SaaS Subscription Revenue growth.

Gross Profit Measures

%	Q1 FY'24	Q1 FY'23
Gross margin	78%	75%
Adjusted Gross Margin⁽¹⁾	79%	76%
Product gross margin	82%	80%
Adjusted Product Gross Margin⁽¹⁾	83%	81%

(1) Adjusted Gross Margin and Adjusted Product Gross Margin are non-IFRS financial ratios. Please refer to the "Non-IFRS Measures and Ratios" section of the disclaimer to this Presentation, and to the relevant sections of the Appendix for the definitions of Adjusted Gross Margin, Adjusted Product Gross Margin and the reconciliation to their most directly comparable IFRS measures.

Operating Loss

USD millions	Q1 FY'24	Q1 FY'23
Operating Loss	\$7.6	\$13.3
Adjusted Operating Loss ⁽¹⁾	\$2.8	\$7.5
Net Loss	\$7.0	\$12.5

Generated \$1M in cash from ops in Q1 FY'24

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

Q2 FY'24 and Full Year **Guidance**

USD millions	Q2 FY'24	Full Year FY'24
SaaS Subscription Revenue ⁽¹⁾	\$28.8 – \$29.3	\$118.0 – \$120.0
Total Revenue	\$30.8 – \$31.3	\$127.0 – \$129.0
Adjusted Operating Loss ⁽²⁾	\$1.5 – \$2.5	\$11.5 – \$13.5
<p>Coveo continues to expect to achieve positive operating cash flow in fiscal year 2025 as it executes on its growth plans while continuing to improve efficiency</p>		

**Expect
<\$10M of
cash used in
operations in
FY'24**

These statements are forward-looking and actual results may differ materially. Coveo's guidance 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 Coveo's financial performance and measuring progress toward management's objectives, and the reader is cautioned that it may not be appropriate for other purposes. Please refer to the "Forward-Looking Information" section in the disclaimer of this Presentation and in our most recent annual information form and MD&A on file for information on the factors that could cause our actual results to differ materially from these forward-looking statements and a description of the assumptions thereof. Please also refer to the press release dated August 8, 2023 announcing Coveo's first quarter earnings for fiscal year 2024 available under our profile on www.secdarplus.ca for a list of additional assumptions and hypothesis made in connection with our financial outlook.

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

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



SAVE THE DATE

2nd Annual Capital Markets Day

Thursday, November 16, 2023

TMX Market Centre, Toronto

Save the date for our upcoming half-day in-person event! Join members of Coveo's senior leadership team as they share the latest updates on our organization. Don't miss this opportunity to stay informed and connect with our team. We look forward to seeing you there!

For more information:

Paul Moon, Head of Investor Relations | pmoon@coveo.com





Q1 FY'24 Results **Q&A**

Appendix

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

	Three months ended June 30,			Three months ended June 30,	
	2023	2022		2023	2022
	\$	\$		\$	\$
Revenue					
SaaS subscription	28,535	24,003	Operating loss	(7,569)	(13,309)
Self-managed licenses and maintenance	-	324	Net financial revenue	(1,677)	(399)
Product revenue	28,535	24,327	Foreign exchange loss (gain)	1,004	(500)
Professional services	1,997	2,135	Loss before income tax expense (recovery)	(6,896)	(12,410)
Total revenue	30,532	26,462	Income tax expense (recovery)	59	109
			Net loss	(6,955)	(12,519)
Cost of revenue					
Product	5,128	4,758	Other comprehensive loss		
Professional services	1,544	1,977	Items that may be reclassified to the consolidated statements of income (loss):		
Total cost of revenue	6,672	6,735	Foreign currency differences on translation to presentation currency	3,428	(8,602)
Gross profit	23,860	19,727	Total comprehensive loss	(3,527)	(21,121)
Operating expenses			Net loss per share – Basic and diluted	(0.07)	(0.12)
Sales and marketing	13,460	14,561			
Research and product development	9,182	9,132	Weighted average number of shares outstanding – Basic and diluted	105,656,216	103,829,091
General and administrative	6,809	7,093			
Depreciation of property and equipment	577	692			
Amortization of intangible assets	1,006	1,161			
Depreciation of right-of-use assets	395	397			
Total operating expenses	31,429	33,036			
Operating loss	(7,569)	(13,309)			

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(in thousands of US dollars, unaudited)

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

	Three months ended June 30,	
	2023	2022
	\$	\$
Share-based payments and related expenses		
Product cost of revenue	236	182
Professional services cost of revenue	163	144
Sales and marketing	40	1,531
Research and product development	1,556	1,433
General and administrative	1,752	1,185
Share-based payments and related expenses	3,747	4,475

Reconciliation of Adjusted Operating Loss to Operating Loss

(in thousands of US dollars)

	Three months ended June 30,	
	2023	2022
	\$	\$
Operating loss	(7,569)	(13,309)
Share-based payments and related expenses ⁽¹⁾	3,747	4,475
Amortization of acquired intangible assets ⁽²⁾	1,005	1,160
Acquisition-related compensation ⁽³⁾	-	211
Adjusted Operating Loss	(2,817)	(7,463)

- (1) These expenses relate to issued stock options, restricted share units, and other awards under share-based plans to our employees and directors as well as related payroll taxes that are directly attributable to the share-based payments. These costs are included in product and professional services cost of revenue, sales and marketing, research and product development, and general and administrative expenses.
- (2) These expenses represent the amortization of intangible assets acquired through the acquisition of Qubit Digital Ltd ("Qubit"). These costs are included in amortization of intangible assets.
- (3) These expenses relate to non-recurring acquisition-related compensation in connection with acquisitions. These costs are included in product and professional services cost of revenue, and sales and marketing, research and product development, and general and administrative expenses.

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

Reconciliation of Adjusted Gross Profit Measures and Adjusted Gross Margin Measures

(in thousands of US dollars)

	Three months ended June 30,	
	2023	2022
	\$	\$
Total revenue	30,532	26,462
Gross profit	23,860	19,727
<i>Gross margin</i>	78%	75%
Add: Share-based payments and related expenses	399	326
Add: Acquisition-related compensation	-	81
Adjusted Gross Profit	24,259	20,134
<i>Adjusted Gross Margin</i>	79%	76%
Product revenue	28,535	24,327
Product cost of revenue	5,128	4,758
Product gross profit	23,407	19,569
<i>Product gross margin</i>	82%	80%
Add: Share-based payments and related expenses	236	182
Add: Acquisition-related compensation	-	60
Adjusted Product Gross Profit	23,643	19,811
<i>Adjusted Product Gross Margin</i>	83%	81%
Professional services revenue	1,997	2,135
Professional services cost of revenue	1,544	1,977
Professional services gross profit	453	158
<i>Professional services gross margin</i>	23%	7%
Add: Share-based payments and related expenses	163	144
Add: Acquisition-related compensation	-	21
Adjusted Professional Services Gross Profit	616	323
<i>Adjusted Professional Services Gross Margin</i>	31%	15%

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

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

(in thousands of US dollars)

	Three months ended June 30,	
	2023	2022
	\$	\$
Sales and marketing expenses	13,460	14,561
<i>Sales and marketing expenses (%)</i>	44%	55%
Less: Share-based payments and related expenses	40	1,531
Less: Acquisition-related compensation	-	34
Adjusted Sales and Marketing Expenses	13,420	12,996
<i>Adjusted Sales and Marketing Expenses (%)</i>	44%	49%
Research and product development expenses	9,182	9,132
<i>Research and product development expenses (%)</i>	30%	35%
Less: Share-based payments and related expenses	1,556	1,433
Less: Acquisition-related compensation	-	88
Adjusted Research and Product Development Expenses	7,626	7,611
<i>Adjusted Research and Product Development Expenses (%)</i>	25%	29%
General and administrative expenses	6,809	7,093
<i>General and administrative expenses (%)</i>	22%	27%
Less: Share-based payments and related expenses	1,752	1,185
Less: Acquisition-related compensation	-	8
Adjusted General and Administrative Expenses	5,057	5,900
<i>Adjusted General and Administrative Expenses (%)</i>	17%	22%

“Adjusted Sales and Marketing Expenses”, “Adjusted Research and Product Development Expenses”, and “Adjusted General and Administrative Expenses” are respectively defined as sales and marketing expenses, research and product development expenses, and general and administrative expenses excluding share-based payment and related expenses, acquisition-related compensation, transaction-related expenses, and other one-time or non-cash items. We refer to these measures collectively as our “Adjusted Operating Expense Measures”. “Adjusted Sales and Marketing Expenses (%)”, “Adjusted Research and Product Development Expenses (%)”, and “Adjusted General and Administrative Expenses (%)” are respectively defined as Adjusted Sales and Marketing Expenses, Adjusted Research and Product Development Expenses, and Adjusted General and Administrative Expenses as a percentage of total revenue. We refer to these measures collectively as our “Adjusted Operating Expense (%) Measures”.

Reconciliation of Constant Currency Measures and Ratios

(in thousands of US dollars)

	Three months ended June 30, 2023	
	SaaS Subscription Revenue	Total revenue
SaaS Subscription Revenue and total revenue, as reported	\$ 28,535	\$ 30,532
Foreign exchange impact on revenue	178	186
SaaS Subscription Revenue and total revenue at constant currency	28,713	30,718
Revenue growth	19%	15%
Revenue growth at constant currency	20%	16%

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

In this table, SaaS Subscription Revenue⁽¹⁾ and total 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.

“**SaaS Subscription Revenue at constant currency**” means SaaS Subscription Revenue of the Company as presented in our financial statements in accordance with IFRS, adjusted for the impact of foreign currency exchange fluctuations. SaaS Subscription Revenue in currencies other than US dollars is converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

“**SaaS Subscription Revenue growth at constant currency**” means the year-over-year change in SaaS Subscription Revenue at constant currency divided by the reported SaaS Subscription Revenue in the prior period.

“**Total revenue at constant currency**” means total revenue of the Company as presented in our financial statements in accordance with IFRS, adjusted for the impact of foreign currency exchange fluctuations. Total revenue in currencies other than US dollars is converted into US dollars using the exchange rates from the prior period rather than the actual exchange rates in effect during the current period.

“**Total revenue growth at constant currency**” means the year-over-year change in total revenue at constant currency divided by the reported total revenue in the prior period.

We believe the Constant Currency Measures and Ratios provide helpful supplemental indicators on comparable SaaS Subscription Revenue and total revenue growth by removing the effect of changes in foreign currency exchange rates year-over-year to aid investors better understand our performance.

Condensed Interim Consolidated Statements of Financial Position

(in thousands of US dollars, unaudited)

	As of June 30, 2023	As of March 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	201,169	198,452
Trade and other receivables	26,419	24,233
Refundable tax credits	9,545	7,142
Prepaid expenses	6,799	8,707
	<u>243,932</u>	<u>238,534</u>
Non-current assets		
Contract acquisition costs	11,063	11,148
Property and equipment	6,588	6,846
Intangible assets	14,409	15,107
Right-of-use assets	7,408	7,645
Deferred tax assets	3,662	3,896
Goodwill	26,062	25,642
Total assets	<u>313,124</u>	<u>308,818</u>
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	21,107	21,435
Current portion of deferred revenue	60,000	55,260
Current portion of lease obligations	2,082	1,929
Accrued liability for shares to be repurchased under substantial issuer bid	30,220	-
	<u>113,409</u>	<u>78,624</u>
Non-current liabilities		
Lease obligations	8,605	8,940
Deferred tax liabilities	2,599	2,721
Total liabilities	<u>124,613</u>	<u>90,285</u>
Shareholders' equity		
Share capital	869,749	868,409
Contributed surplus	27,550	25,949
Deficit	(668,379)	(631,988)
Accumulated other comprehensive loss	(40,409)	(43,837)
Total shareholders' equity	<u>188,511</u>	<u>218,533</u>
Total liabilities and shareholders' equity	<u>313,124</u>	<u>308,818</u>

Condensed Interim Consolidated Statements of Cash Flows

(in thousands of US dollars, unaudited)

	Three months ended June 30,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Net loss	(6,955)	(12,519)
Items not affecting cash		
Amortization of contract acquisition costs	1,159	1,077
Depreciation of property and equipment	577	692
Amortization of intangible assets	1,006	1,161
Depreciation of right-of-use assets	395	397
Share-based payments	3,454	5,796
Interest on lease obligations	141	170
Variation of deferred tax assets and liabilities	41	83
Unrealized foreign exchange loss (gain)	922	(500)
Changes in non-cash working capital items	268	5,048
	1,008	1,405
Cash flows used in investing activities		
Additions to property and equipment	(154)	(527)
Additions to intangible assets	-	(5)
	(154)	(532)
Cash flows used in financing activities		
Proceeds from exercise of stock options	325	291
Tax withholding for net share settlement	(372)	-
Payments on lease obligations	(552)	(633)
Substantial issuer bid transaction costs	(48)	-
	(647)	(342)
Effect of foreign exchange rate changes on cash and cash equivalents	2,510	(5,935)
Increase (decrease) in cash and cash equivalents during the year	2,717	(5,404)
Cash and cash equivalents – beginning of year	198,452	223,072
Cash and cash equivalents – end of year	201,169	217,668
Cash	31,819	45,088
Cash equivalents	169,350	172,580

Definition of Key Performance Indicators

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

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

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

- i. Excludes any SaaS Annualized Contract Value from new customers added during the 12 months preceding the end of the period selected;
- ii. Includes incremental SaaS Annualized Contract Value made to the cohort over the 12 months preceding the end of the period selected; and
- 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

“**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.