



Coveo Reports Fourth Quarter and Fiscal 2026 Financial Results

SaaS Subscription Revenue⁽¹⁾ of \$35.9 million
Best fourth quarter new business bookings performance in Company history
Robust Commerce momentum, driving ~60% of new business, including the largest new customer win in Company history

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

MONTREAL, May 27, 2026 – [Coveo](#) (TSX: CVO), the leader in AI-Relevance, delivering best-in-class search and generative experiences, today announced financial results for its fourth quarter and full fiscal year 2026 ended March 31, 2026.

“Fiscal 2026 marked another year of meaningful progress for Coveo as organizations increasingly turned to our platform to power AI-driven digital experiences,” said Laurent Simoneau, Co-Founder and CEO of Coveo. “We closed the year with the strongest fourth quarter new business performance in our history, including another landmark enterprise win representing the largest new customer deal in our history for the second consecutive quarter. The momentum we continue to see across our Generative AI and Commerce offerings reinforces the increasingly strategic role our platform plays for large global enterprises.”

“As enterprises accelerate their AI initiatives, Coveo’s position as an agnostic intelligence layer for modern digital experiences has become increasingly strategic,” said Louis Têtu, Executive Chairman of Coveo. “Organizations are increasingly focused on deploying AI solutions that are trusted, scalable, and capable of delivering measurable business outcomes across customer and employee experiences. Coveo is uniquely positioned to help enterprises operationalize AI at scale.”

Fourth Quarter and Fiscal 2026 Summary Financial Highlights

The following table summarizes our financial results for the fourth quarter and full fiscal year 2026:

<i>In millions of U.S. dollars, except as otherwise indicated</i>	Q4 2026	Q4 2025	Change	FY2026	FY2025	Change
SaaS Subscription Revenue ⁽¹⁾	\$35.9	\$32.6	10%	\$142.5	126.6	13%
Coveo core Platform ⁽²⁾	\$35.9	\$31.6	14%	\$139.8	\$121.3	15%
Qubit Platform ⁽³⁾	-	\$1.0	(100%)	\$2.8	\$5.3	(48%)
Total revenue	\$37.4	\$34.4	9%	\$148.3	\$133.3	11%
Gross margin	78%	79%	(1%)	78%	79%	(1%)
Product gross margin	80%	82%	(2%)	81%	82%	(1%)
Net loss	(\$2.3)	(\$6.3)	64%	(\$28.9)	(\$13.8)	(110%)
Adjusted EBITDA ⁽⁴⁾	\$0.8	\$0.7	14%	(\$0.8)	\$1.0	(180%)
Cash flows from operating activities	\$13.7	\$6.8	102%	\$10.5	\$11.1	(5%)

Fourth Quarter Fiscal 2026 Financial Highlights

(All comparisons are relative to the three-month period ended March 31, 2025, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$35.9 million, an increase of 10% compared to \$32.6 million in the prior period. With the full depreciation of the legacy Qubit platform, all SaaS Subscription Revenue came from the Coveo core Platform⁽²⁾, which saw an increase in SaaS Subscription Revenue of 14% compared to the prior period.
- Total revenue was \$37.4 million compared to \$34.4 million, an increase of 9%.
- Gross margin was 78% and Product gross margin was 80%, compared to 79% and 82%, respectively, in the prior period.
- Operating loss was \$3.6 million compared to \$7.6 million. Net loss was \$2.3 million compared to \$6.3 million in the prior period.
- Adjusted EBITDA⁽⁴⁾ was \$0.8 million compared to \$0.7 million in the prior period.
- Cash flows from operating activities was \$13.7 million compared to \$6.8 million in the prior period.
- Cash and cash equivalents were \$101.9 million as of March 31, 2026.
- Net Expansion Rate⁽¹⁾ was 100% as of March 31, 2026, and 103% excluding customer attrition from customers using the legacy Qubit platform⁽⁵⁾.
- For the three months ended March 31, 2026, the Company repurchased for cancellation a total of 1,876,500 subordinate voting shares at a weighted average price of C\$6.08 per share, for a total consideration of \$8.4 million.

Full Year Fiscal 2026 Financial Highlights

(All comparisons are relative to the fiscal year ended March 31, 2025, unless otherwise stated)

- SaaS Subscription Revenue⁽¹⁾ of \$142.5 million, an increase of 13% compared to \$126.6 million. Within this, SaaS Subscription Revenue for Coveo's core Platform⁽²⁾ was \$139.8 million, an increase of 15%.
- Total revenue was \$148.3 million compared to \$133.3 million, an increase of 11%.
- Gross margin was 78% and Product gross margin was 81%, compared to 79% and 82%, respectively, in the prior period.
- Operating loss was \$27.4 million compared to \$25.9 million, and net loss was \$28.9 million compared to a net loss of \$13.8 million in the prior period.
- Adjusted EBITDA⁽⁴⁾ was (\$0.8) million compared to \$1.0 million last year.
- Cash flows from operating activities was \$10.5 million compared to \$11.1 million in the prior year.
- For the fiscal year ended March 31, 2026, the Company repurchased for cancellation a total of 4,423,978 subordinate voting shares at a weighted average price of C\$6.83 per share for total consideration of \$22.0 million.

Other Business and Subsequent Developments:

- Record fourth quarter new business bookings performance
 - Coveo saw strong new business bookings from both new and existing customers, with particularly strong traction in new customer acquisition.
 - Commerce remained Coveo's fastest growing use case, with nearly 60% of total new business bookings, with notable strength in complex B2B multi-product offering.
 - Coveo continues to build momentum in the manufacturing and distribution industry, adding several leading global brands during the quarter, including a Global 1000 industrial manufacturer representing the largest new customer win in the Company's history.

- Coveo’s SAP partnership remains a high growth and efficient channel for new customer acquisition.
- Enterprise adoption of Coveo’s Generative AI solutions continued to accelerate during the quarter, as customers expanded production-scale AI deployments across multiple use cases. Year-over-year, the Company’s Generative AI customer count nearly doubled, and SaaS ACV attributable to Coveo Generative AI solutions now represents 13% of our total SaaS ACV.
- New and existing customer wins included: Palo Alto Networks, Anglepoint, Unimax, Ellucian, Ateko, Intuit, Deloitte, Perficient, Groupe Legault, the Australian Taxation Office and several others.
- Ongoing focus on innovation
 - Launched Coveo Conversational Product Discovery, integrating AI-powered natural language conversations directly into commerce search to enhance product discovery. The solution enables context-aware recommendations, faster path to purchase, and improved conversion, while preserving merchandising control and search performance, helping retailers turn exploration into revenue.
 - Announced hosted Model Context Protocol (MCP) server that enables secure integration between enterprise content and supporting interoperability between Coveo and the growing ecosystem of AI assistants and agent frameworks. The solution simplifies data connectivity, supports agentic AI workflows, and positions Coveo as a key layer for scalable enterprise AI adoption.
- Other business updates
 - Bell and Coveo announced a strategic sovereign AI partnership integrating Coveo’s AI-Relevance Platform into Bell AI Fabric to deliver secure, compliant AI solutions for governments and regulated industries. The collaboration aims to modernize digital services, enhance productivity, and keep data and AI operations within Canada, supporting a domestic, secure AI ecosystem.
 - The company hired a new Chief Sales Officer to lead the North American new customer team. This individual is a seasoned executive with more than 20 years of software sales experience, including executive roles at some of the largest software companies in the world. He is expected to join Coveo in June.

Financial Outlook

Expectations for SaaS Subscription Revenue⁽¹⁾, Total Revenue, and Adjusted EBITDA⁽⁴⁾ for Q1 FY’27 and the Full Year FY’27 are as follows:

	Q1 FY’27	FY’27
SaaS Subscription Revenue⁽¹⁾	\$37.1 – \$37.6 million	\$154.0 – \$158.0 million
Total Revenue	\$38.2 – \$38.7 million	\$160.0 – \$164.0 million
Adjusted EBITDA⁽⁴⁾	(\$1.5) – (\$0.5) million	\$2.0 - \$7.0 million

The company expects to deliver operating cash flows of more than \$10 million for the full fiscal year.

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 and Full Year 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 the fourth quarter and full year 2026. The call will be hosted by Laurent Simoneau, Co-Founder & Chief Executive Officer, Louis Têtu, Executive Chairman and Karine Hamel, Chief Financial Officer.

Conference Call: <https://emportal.ink/4f2453l>

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/po2a47QWb9R>

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

Non-IFRS Financial Measures and Ratios

Coveo’s audited annual 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”); 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 EBITDA, 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 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 Financial Measures and Ratios and Reconciliation of Non-IFRS Financial Measures and Ratios” section of our MD&A for the year ended March 31, 2026, which is available as of the date hereof 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 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; 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”. They are key performance indicators and 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.

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, 2026 and the year ending March 31, 2027 (for greater certainty, for operating cash flows, solely the year ending March 31, 2027) 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; the success of our efforts to expand our product portfolio and market reach; our ability to maintain successful strategic relationships with partners and other third parties; market awareness and acceptance of enterprise artificial intelligence ("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; assumptions regarding our future capital requirements, and availability of capital generally; 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 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 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, 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.

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:

- Ongoing strength in bookings performance through the end of fiscal 2027.
- Maintaining gross retention rates⁽⁶⁾ at their expected levels.
- Achieving expected levels of sales of SaaS subscriptions to new and existing customers, including the timing of those sales between the first and second half, 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⁽⁴⁾ and Adjusted Gross Margin Measures⁽⁷⁾.
- Customer buying behaviors remaining consistent with behaviors observed during fiscal year 2026, including as it relates to customer spending and sales cycle length.
- Our ability to attract and retain key personnel required to achieve our plans.
- Foreign exchange rates environment remaining consistent with end of fiscal year 2026 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⁽⁷⁾.
- Our ability to continue to successfully manage expenses in line with our plans.

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 above.
- (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 legacy Qubit platform.
- (3) SaaS Subscription Revenue earned through subscriptions to the legacy 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 Financial Measures and Ratios” section above and the reconciliation tables within this release.

- (5) Net Expansion Rate excluding the effect of SaaS ACV attributable to subscriptions to the legacy Qubit platform.
- (6) 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.
- (7) The Adjusted Gross Margin Measures, the Adjusted Operating Expense (%) Measures, and Adjusted Product Gross Margin are non-IFRS ratios. Please see the “Non-IFRS Financial Measures and Ratios” section above and the reconciliation tables within this release.

About Coveo

Coveo brings superior AI-Relevance to every point-of-experience, transforming how enterprises connect with their customers and employees to maximize business outcomes.

Relevance is about moving from persona to person, the degree to which the enterprise-wide content, products, recommendations, and advice presented to a person online aligns easily with their context, needs, preferences, behavior and intent, setting the competitive experience gold standard. Every person's journey is unique, and only AI can solve the complexity of tailoring experiences across massive, diverse audiences and large volumes and variety of content and products.

Stay up to date on the latest Coveo news and content by subscribing to the [Coveo blog](#), and following Coveo on [LinkedIn](#), [Twitter](#), and [YouTube](#).

Contact Information

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Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data)

	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Revenue				
SaaS subscription	35,896	32,616	142,540	126,631
<i>Coveo core Platform</i>	35,896	31,605	139,757	121,329
<i>Qubit Platform</i>	-	1,011	2,783	5,302
Professional services	1,542	1,734	5,799	6,641
Total revenue	37,438	34,350	148,339	133,272
Cost of revenue				
SaaS subscription	7,106	5,862	27,002	22,969
Professional services	1,310	1,385	5,668	5,424
Total cost of revenue	8,416	7,247	32,670	28,393
Gross profit	29,022	27,103	115,669	104,879
Operating expenses				
Sales and marketing	16,596	15,734	71,481	59,615
Research and product development	9,197	8,537	39,722	35,904
General and administrative	5,451	5,819	26,055	25,424
Depreciation of property and equipment	391	582	1,949	2,567
Amortization and impairment of intangible assets	474	3,612	1,865	5,817
Depreciation of right-of-use assets	541	381	2,039	1,472
Total operating expenses	32,650	34,665	143,111	130,799
Operating loss	(3,628)	(7,562)	(27,442)	(25,920)
Net financial revenue	(640)	(1,023)	(3,650)	(5,063)
Foreign exchange loss (gain)	(1,320)	278	3,325	(5,526)
Loss before income tax expense	(1,668)	(6,817)	(27,117)	(15,331)
Income tax expense (recovery)	582	(501)	1,762	(1,578)
Net loss	(2,250)	(6,316)	(28,879)	(13,753)
Net loss per share – Basic and diluted	(0.02)	(0.07)	(0.30)	(0.14)
Weighted average number of shares outstanding – Basic & diluted	93,443,946	95,953,133	95,279,647	98,427,800

Consolidated Statements of Loss and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data)

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

	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Share-based payments and related expenses				
SaaS subscription cost of revenue	161	216	1,029	817
Professional services cost of revenue	67	126	518	455
Sales and marketing	1,280	959	7,215	3,707
Research and product development	728	1,095	5,066	5,334
General and administrative	697	1,263	6,868	6,363
Share-based payments and related expenses	2,933	3,659	20,696	16,676

Reconciliation of Net Loss to Adjusted EBITDA
(expressed in thousands of U.S. dollars)

	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Net loss	(2,250)	(6,316)	(28,879)	(13,753)
Net financial revenue	(640)	(1,023)	(3,650)	(5,063)
Foreign exchange loss (gain)	(1,320)	278	3,325	(5,526)
Income tax expense (recovery)	582	(501)	1,762	(1,578)
Share-based payments and related expenses ⁽¹⁾	2,933	3,659	20,696	16,676
Amortization and impairment of intangible assets	474	3,612	1,865	5,817
Depreciation expenses ⁽²⁾	932	963	3,988	4,039
Transaction-related expenses ⁽³⁾	53	-	96	388
Adjusted EBITDA	764	672	(797)	1,000

(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,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Total revenue	37,438	34,350	148,339	133,272
Gross profit	29,022	27,103	115,669	104,879
<i>Gross margin</i>	78%	79%	78%	79%
Add: Share-based payments and related expenses	228	342	1,547	1,272
Adjusted Gross Profit	29,250	27,445	117,216	106,151
<i>Adjusted Gross Margin</i>	78%	80%	79%	80%
Product revenue	35,896	32,616	142,540	126,631
Product cost of revenue	7,106	5,862	27,002	22,969
Product gross profit	28,790	26,754	115,538	103,662
<i>Product gross margin</i>	80%	82%	81%	82%
Add: Share-based payments and related expenses	161	216	1,029	817
Adjusted Product Gross Profit	28,951	26,970	116,567	104,479
<i>Adjusted Product Gross Margin</i>	81%	83%	82%	83%
Professional services revenue	1,542	1,734	5,799	6,641
Professional services cost of revenue	1,310	1,385	5,668	5,424
Professional services gross profit (loss)	232	349	131	1,217
<i>Professional services gross margin</i>	15%	20%	2%	18%
Add: Share-based payments and related expenses	67	126	518	455
Adjusted Professional Services Gross Profit	299	475	649	1,672
<i>Adjusted Professional Services Gross Margin</i>	19%	27%	11%	25%

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,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Sales and marketing expenses	16,596	15,734	71,481	59,615
<i>Sales and marketing expenses (% of total revenue)</i>	44%	46%	48%	45%
Less: Share-based payments and related expenses	1,280	959	7,215	3,707
Adjusted Sales and Marketing Expenses	15,316	14,775	64,266	55,908
<i>Adjusted Sales and Marketing Expenses (% of total revenue)</i>	41%	43%	43%	42%
Research and product development expenses	9,197	8,537	39,722	35,904
<i>Research and product development expenses (% of total revenue)</i>	25%	25%	27%	27%
Less: Share-based payments and related expenses	728	1,095	5,066	5,334
Adjusted Research and Product Development Expenses	8,469	7,442	34,656	30,570
<i>Adjusted Research & Product Development Expenses (% of total revenue)</i>	23%	22%	23%	23%
General and administrative expenses	5,451	5,819	26,055	25,424
<i>General and administrative expenses (% of total revenue)</i>	15%	17%	18%	19%
Less: Share-based payments and related expenses	697	1,263	6,868	6,363
Less: Transaction-related expenses	53	-	96	388
Adjusted General and Administrative Expenses	4,701	4,556	19,091	18,673
<i>Adjusted General and Administrative Expenses (% of total revenue)</i>	13%	13%	13%	14%

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

	March 31, 2026	March 31, 2025
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	101,914	124,752
Trade and other receivables	35,224	36,564
Government assistance	6,292	6,280
Prepaid expenses	9,129	9,845
	152,559	177,441
Non-current assets		
Contract acquisition costs	13,744	10,908
Property and equipment	3,199	4,192
Intangible assets	1,344	3,012
Right-of-use assets	13,127	5,179
Deferred tax assets	2,343	3,337
Goodwill	26,650	26,290
Total assets	212,966	230,359
Liabilities		
Current liabilities		
Trade payable and accrued liabilities	19,688	18,602
Deferred revenue	86,062	77,387
Current portion of lease obligations	1,920	1,999
	107,670	97,988
Non-current liabilities		
Lease obligations	13,320	5,464
Total liabilities	120,990	103,452
Shareholders' Equity		
Share capital	735,533	768,754
Contributed surplus	99,443	76,273
Deficit	(698,230)	(669,351)
Accumulated other comprehensive loss	(44,770)	(48,769)
Total shareholders' equity	91,976	126,907
Total liabilities and shareholders' equity	212,966	230,359

Condensed Interim Consolidated Statements of Cash Flows
(expressed in thousands of U.S. dollars, unaudited)

	March 31, 2026	March 31, 2025
	\$	\$
Cash flows from operating activities		
Net loss	(28,879)	(13,753)
Items not affecting cash		
Amortization of contract acquisition costs	5,024	4,354
Depreciation of property and equipment	1,949	2,567
Amortization and impairment of intangible assets	1,865	5,817
Depreciation of right-of-use assets	2,039	1,472
Share-based payments	20,285	17,309
Interest on lease obligations	623	415
Deferred income tax expense (recovery)	1,183	(1,034)
Unrealized foreign exchange loss (gain)	2,320	(4,223)
Changes in operating assets and liabilities	4,083	(1,856)
	10,492	11,068
Cash flows used in investing activities		
Additions to property and equipment	(821)	(1,484)
Additions to intangible assets	(108)	(46)
	(929)	(1,530)
Cash flows used in financing activities		
Proceeds from exercise of stock options	1,198	1,371
Tax withholding for net share settlement	(3,955)	(2,861)
Payments on lease obligations	(2,903)	(2,456)
Shares repurchased and cancelled	(22,655)	(46,868)
Shares repurchased for settlement of share-based awards	(4,584)	-
	(32,899)	(50,814)
Effect of foreign exchange rate changes on cash and cash equivalents	498	(558)
Decrease in cash and cash equivalents during the year	(22,838)	(41,834)
Cash and cash equivalents – beginning of year	124,752	166,586
Cash and cash equivalents – end of year	101,914	124,752
Cash	66,400	63,785
Cash equivalents	35,514	60,967