coveo™

2025
Annual Report

Coveo AI-Relevance
sets the global gold
standard for enterprise
generative experiences

Table of Contents

AI-Relevance™: The Intelligence That Moves Enterprises Forward.

Higher conversion rates. Lower support costs. **Faster, smarter decisions.**

With Coveo, leading enterprises deliver AI-Relevance at every point-of-experience — turning complexity into clarity, and potential into performance.

Message from the CEO

Laurent Simoneau, CEO

This is an exciting time for Coveo.

We're seeing clear momentum in the market, because our innovation is very relevant. Customers are now better educated on the benefits and challenges of applied AI, are moving past experimentation toward adoption, and are recognizing the uniqueness and necessity of the Coveo AI-Relevance™ Platform to support their AI and generative experience transformation efforts. That shift makes our path clear: we will aggressively pursue our opportunity while delivering an exceptional customer experience.

The groundwork we've laid over more than a decade in AI is paying off – and we believe we're positioned to accelerate our growth and leadership.

We're focused on three strategic priorities:

1. fastest pace of innovation that deepens our product differentiation,
2. leveraging the strength of our cutting-edge innovation and team to deliver superior customer value, and
3. operating as a growth-focused, operationally and financially efficient business.

Several market tailwinds are working in our favor – from growing AI innovation investment in Commerce, to the convergence of Service and Commerce, to the importance and rapid evolution of generative search and Agentic AI.

Our platform is built for the future of enterprise AI and GenAI

Search is extremely foundational to generative AI in enterprise digital experiences and agentic frameworks. While others are still trying to make this work, Coveo has already mastered it, and customer results speak loudly.

We believe search, generative answering, retrieval, and reasoning will increasingly power experiences and agentic workflows across enterprises – and that Coveo will be the spinal relevance engine behind them, grounding generative experiences in enterprise data. Our Relevance-augmented Generative Answering technology is recognized as market-leading, and we're contributing to agentic AI ecosystems to ensure consistent, trusted outcomes where it matters most: search, retrieval, and reasoning over data. Coveo delivers AI-Relevance across both knowledge and commerce use cases, for both customers and employees. Our AI-Relevance™ Platform brings it all together, with business optimization AI models that work in unison across all data to achieve specific business outcomes, delivering unmatched relevance for each individual user.

Enterprises choose Coveo because they need uncompromised relevance and their data is complex – structured and unstructured, spread across systems. Coveo can connect, index, unify, vectorize, and stitch that content with powerful semantics, unmatched relevance, and business optimization AI models. Our Relevance-Augmented Generation (our take on RAG) APIs are becoming the norm to ground complex generative AI needs in large enterprises.

In commerce, we help optimize product search to improve conversion, but more importantly revenue and margins. We enable conversational shopping experiences – for example with digital sales associates – with GenAI grounded in catalog and content semantics along with commerce optimization models.

In knowledge, we drive customer self-service, case deflection and empower support agents with secure access to the most relevant information. Our ability to serve both of these key verticals is a core competitive advantage – and one we intend to protect and expand.

Our market, innovation, team and disciplined execution position us for growth.

Our market, innovation, team and disciplined execution position us for growth

We believe we're in the early phases of one of the most important technology shifts in decades – the rise of enterprise AI in digital. Enterprises will simply not be able to compete against AI-Relevance enabled competitors, and Coveo is positioned to lead. We've continued to invest in fast and leading innovation while maintaining operational discipline, improving profitability, and generating a solid positive cash flow business model, setting the foundation for long-term, efficient growth, and we are now accelerating our investments to scale.

This year, we strengthened our execution and global operations scalability under the leadership and promotion to COO of John Grosshans, who has brought customer obsession, discipline, and process-driven thinking to our go-to-market and customer delivery execution. I worked closely with John and his team throughout the year, and I'm excited about the quality growth we will achieve together.

Commerce is a fast-growing segment

What's truly exciting is how the expertise we've built in AI-Knowledge is now unlocking new value in AI-Commerce. For today's enterprise, the line between a commerce query and a service question is blurring. A customer might ask, "What's the best laptop for gaming?", and then follow with, "How do I turn on BitLocker with TPM on my Alienware?" Coveo powers both experiences from a single platform, using the same AI foundation, and can ground both the support and the advisory generative commerce experiences in all content and catalog semantic encoding, driven by AI merchandising goals and rules. This convergence is a massive opportunity for us, and one we are uniquely positioned to lead.

We believe Agentic AI is another powerful tailwind

As mentioned earlier, many of our customers and partners are investing in Agentic AI, and while the potential is exciting, early adopters are realizing how critical retrieval relevance is to success. This is another area where Coveo shines. Our leadership in AI-relevance-augmented retrieval allows enterprises to index millions of documents securely across multiple sources of content – delivering more relevant answers, fewer hallucinations, and overall superior agentic experience from one coherent source of relevance. Today, this innovation is being deployed in Customer Service and workplaces at leading enterprises and technology companies, but we see similar transformational potential in commerce, where AI can act as a personalized sales advisor, guiding buyers through product discovery, optimized for maximum commerce revenue and margins.

> Our product is built to lead, and we have the team and leadership to scale it.

I'll end where I started: I'm excited for the future of Coveo

We believe the market is inflecting. Our product is built to lead, and we have the team and leadership to scale it.

We've laid a strong foundation, earned real momentum, and are now entering the next phase – with clarity, conviction, and confidence.

As I return to the CEO role, I want to thank our Board of Directors for their trust, and Louis for his guidance, passion, dedication and continued leadership working with me as Executive Chairman. Most of all, thank you to our employees for your commitment, to our customers for your trust and partnership, and to our shareholders for your ongoing support.

Message from the Executive Chairman

Louis Têtu, Executive Chairman

We said at the beginning of the year that our market and growth were inflecting.

After 18 months of AI education and experimentation post ChatGPT launch, enterprises began moving from experimentation to adoption. They're now seeking tangible ROI from AI and are much more knowledgeable about the capabilities and requirements for generative AI.

Coveo is benefiting from that shift. We're seeing demand increasing, and a much more mature enterprise buyer that understands and appreciates the uniqueness and power of Coveo's technology stack. Our strong bookings and accelerating revenue growth, solid business model, expanding blue-chip customer base, and deepening partnerships all speak to the value Coveo delivers. Our customers – including some of the most tech-forward firms in the world – are expanding their adoption and use of Coveo and partnering with us to power their commerce, knowledge and agentic experiences at enterprise scale.

At the same time, we recognize that investor attention continued to cluster around silicon and hyperscaler players; the perceived beneficiaries building the obvious foundation infrastructure helping to build and deploy AI. However, we believe that soon greater value will emerge at the application layer, where AI transforms specific areas of business, where real productivity, revenue, costs and experience outcomes are created. This is where Coveo excels and leads.

Our strategy is clear: bring applied AI and Generative AI to every point of knowledge and commerce experiences for enterprises. Paramount to achieving that goal, is to ground those generative experiences in secure enterprise data and with pinnacle relevance, powered by AI.

This is what Coveo does.

Our strategy in generative AI and agentic continues to be validated by our customers and partners

This year, we won major new logos such as Docusign, XXXLutz, ABB Ltd, Verisk Analytics, Thalia, among others and expanded relationships with strategic platforms like SAP, Shopify, Salesforce, and AWS. Our customers are the biggest and a trusted source of validation for Coveo. Several technology-forward companies across verticals such as high-tech, financial services, healthcare, manufacturing, and more now use Coveo to power their knowledge and commerce experiences.

Customers like SAP Concur, F5 Networks, and Athenahealth have selected Coveo based on our platform's unique ability to deliver measurable value: double-digit improvements in self-service, major reductions in case submissions and contact center volume, and GenAI results in new use cases such as generative search in their workplaces connected to complex enterprise content.

Large retailers, B2C and B2B merchants such as Dell, Caleres, Cummins and FleetPride have gained major conversion, revenue or margin improvements with Coveo. Our innovation in AI-Merchandising is truly redefining the way merchants control relevance and revenue across large scale commerce. But also, we could not be more excited with our innovation in generative buyer experiences, where are we now have an ability to generate guided buyer advice for complex buyer contexts, grounded in complex catalog, content, and merchant-controlled AI models. We believe this will fuel a revolution in Commerce.

We're seeing demand increase and a much more mature enterprise customer.

Time and again, Coveo has won in head-to-head evaluations against both homegrown and competitive offerings – reinforcing our position as a differentiated technology leader and the best way to ground Generative AI in pinnacle relevance from secure, enterprise-scale data.

We've continued to deepen our partnerships to unlock new growth

In commerce, we partnered with Shopify to bring Coveo AI-Relevance to their enterprise merchant ecosystem, helping solve complex product discovery challenges at scale. As Shopify expands its reach, Coveo enhances Shopify's platform with personalized, high-performing search and product recommendations in both B2C and B2B.

In knowledge, we strengthened our long-standing partnership with Salesforce. With the rise of Agentic AI, Salesforce is investing in digital labor through Agentforce. We launched Coveo for Agentforce, bringing essential relevance to Agentic AI deployments by helping Agentforce grounding them in context-rich and relevant enterprise-wide knowledge. Coveo for Agentforce is designed specifically for complex enterprises, ensuring these AI agents surface up to date, trusted and relevant content into Agentforce. Our platform and APIs now deliver similar value, agnostic to any agentic AI orchestration app, which we think will greatly differentiate us in the market.

We also expanded our SAP partnership to deliver Coveo's AI capabilities to SAP Service Cloud – and once again, we were recognized as a leader by Gartner, IDC, and Forrester.

Our customers are the biggest and a trusted source of validation for Coveo.

We continue to innovate at the core of enterprise AI

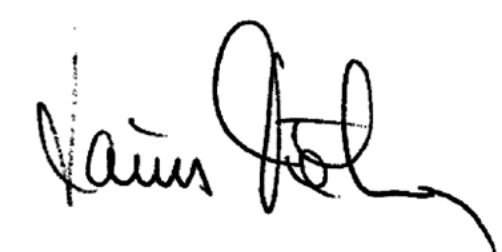
This year, we launched our Relevance-Augmented Passage Retrieval API, allowing customers to "bring their own LLM" while relying on Coveo's world-class relevance-augmented retrieval architecture, and we now see our global partnership with AWS – and in particular AWS Bedrock – as a strong growth vector offering power and flexibility to AWS customers. We see this as expanding our total addressable market, addressing a need we were not previously serving. Technical development teams now reckon the out-of-the-box simplicity and advantage of our platform as a spinal data and relevance backbone to power their generative and agentic experience projects.

Coveo remains steadfast in its mission to lead

We've made the right investments in our people and efficiency, our platform and innovation, and our go-to-market and financially sound strategy. We're building for scale and shaping what comes next. As the applied AI market accelerates and the imperative for AI-Relevance matures, we believe Coveo is positioned not just to participate, but to lead at the application layer, and to serve as the engine powering the next generation of commerce, knowledge and agentic AI experiences.

Thank you to our customers, partners, employees, and shareholders. You've believed in our vision and in our team – and now that vision is scaling. Our partnership in innovation and outcomes is delivering results and fueling our next phase of innovation and furthering the art-of-the-possible with AI-Relevance.

This is Coveo's moment, and I look forward to continuing to work with Laurent who now leads our amazing global team into our next phase of exciting growth. We're ready for what's next, and it's good to be us!



Financial Highlights

in million of US dollars

This year's key performance indicators reflect strong growth in both sales and profitability, underscoring Coveo's continued momentum.

US $133.3M
FY'25 Total Revenue
↑ 6% Year-over-Year

US $121.3M
FY'25 Coveo core Platform SaaS Subscription Revenue[1]
↑ 11% Year-over-Year

US $1.0M
FY'25 Adjusted EBITDA[2]
↑ 142% Year-over-Year

107%
Coveo core Platform Net Expension rate[1]
as of March 31, 2025

US $11.1M
FY'25 Cash Flows from Operating Activities
↑ 164% Year-over-Year

US ($13.8M)
FY'25 Net Loss
↓ 42% Year-over-Year

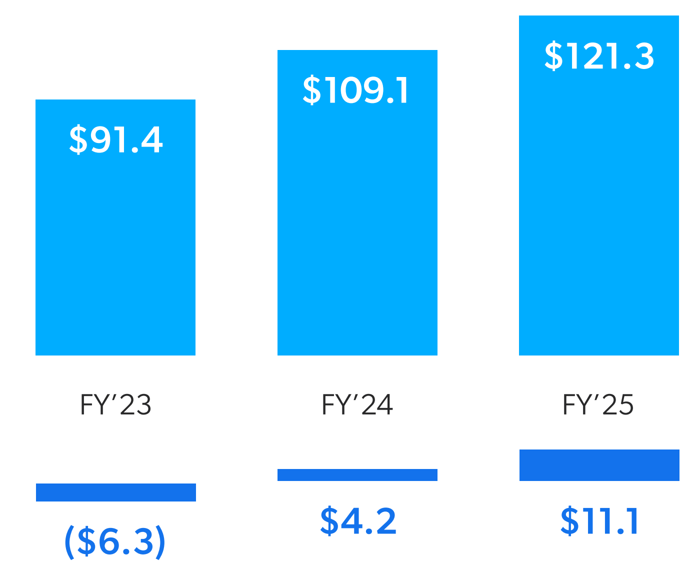
1 SaaS Subscription Revenue and Net Expansion Rate are key performance indicators of Coveo. Please see the "Key Performance Indicators" section of the accompanying MD&A. "Coveo core" means Coveo's AI-Relevance Platform, excluding contribution of our legacy Qubit platform.

2 Adjusted EBITDA is a non-IFRS measure. Please see the "Non-IFRS Financial Measures and Ratios and Reconciliation of Non-IFRS Financial Measures and Ratios " section of the accompanying MD&A.

Driving an Efficient Model

in million of US dollars

Our focus on operational efficiency continues to pay off as we drive sustainable growth through a disciplined, effective business model.

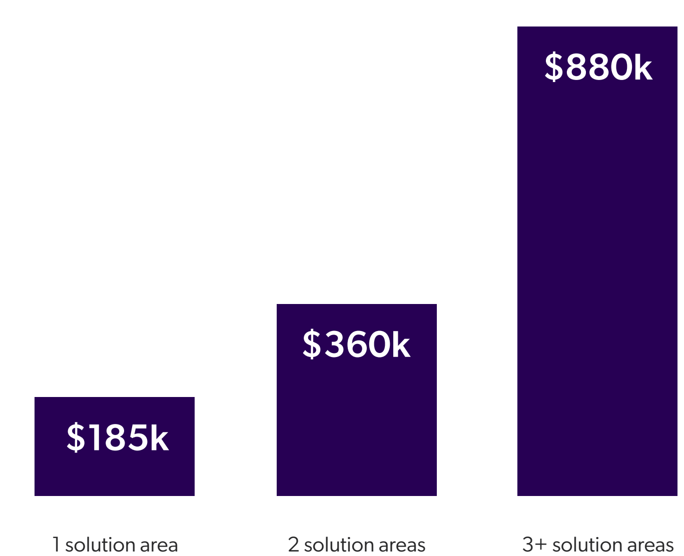


Coveo core Platform SaaS Subscription Revenue[1]
↑ 19% CAGR over 3 years

Cash Flows from Operating Activities
↑ US $17.4M Over 3 year

Strategic Adoption Unlocks Scalable Value

Current average ARR[4] by number of solutions adopted (customers with over US $50k of ARR[4])



~5x higher ARR[4]
Customers with 3+ solutions generate nearly 5x more ARR[4] than those with only one

US $60M[3] Growth Opportunity
Expanding solution adoption across our base could represent a US $60M+ ARR[4] potential

3 Approximations based on available internal data. For the market opportunity within our install base, the $60M+ assumes adoption of one incremental solution area by half (50%) of our customers (excluding customers with less than $50K ARR), using the following hypothesis: i) customers using 1 solution area would add a second solution area, and would increase their ARR from $185K to $360K (average ARR per customer using 2 solution areas), ii) customers using 2 solution areas would add a third solution area, and would increase their ARR from $360K to $880K (average ARR per customer using 3 or more solutions). All data as of March 31, 2025 and approximated for purposes of the graph and the market opportunity.

4 We define Annual Recurring Revenue ("ARR") as the total SaaS annualized contract value of all active, committed, and recurring subscriptions as of the measurement date.

Our Leading Platform: AI That Drives ROI

Coveo is *The AI-Relevance*™ *Company.*

With more than a decade of AI innovation, the Coveo AI-Relevance™ Platform empowers global enterprises to transform their digital experiences — enhancing customer and employee engagement and satisfaction while driving measurable business outcomes.

Every individual's digital journey is unique — only AI can solve the complexity of using large volumes and varieties of content and products to tailor experiences across massive, diverse audiences.

We believe the Coveo platform is uniquely built to support large enterprises in delivering vast volumes of content and products to diverse, complex audiences. The Coveo platform works across multiple use cases and touchpoints in commerce, service, websites, and the workplace, through advanced capabilities such as AI-Search, AI-Powered Recommendations, Unified Personalization, Generative Answering and Conversation, and Agentic Experience.

Our platform offers a robust index to securely unify access to all enterprise content and product catalogs. With native and universal connectors into today's core enterprise platforms, the Coveo AI-Relevance™ Platform expertly indexes and retrieves both structured and unstructured content. It then combines this content with clickstream events and user behavior patterns to craft the most relevant, unified digital experiences across any enterprise touchpoint.

We are Coveo.
We are the AI-Relevance company.

> "Digital is everywhere.
> Relevance is not."

— **Louis** Têtu, Executive Chairman

AI Built for Real-World Enterprise Impact

Coveo's powerful and flexible AI architecture goes far beyond basic Retrieval-Augmented Generation ("RAG").

We combine lexical and sementic search, intent detection, and personalization to deliver accurate, useful, and explainable AI outputs. — All remains securely grounded in your enterprise knowledge and is engineered to drive meaningful, measurable business outcomes.

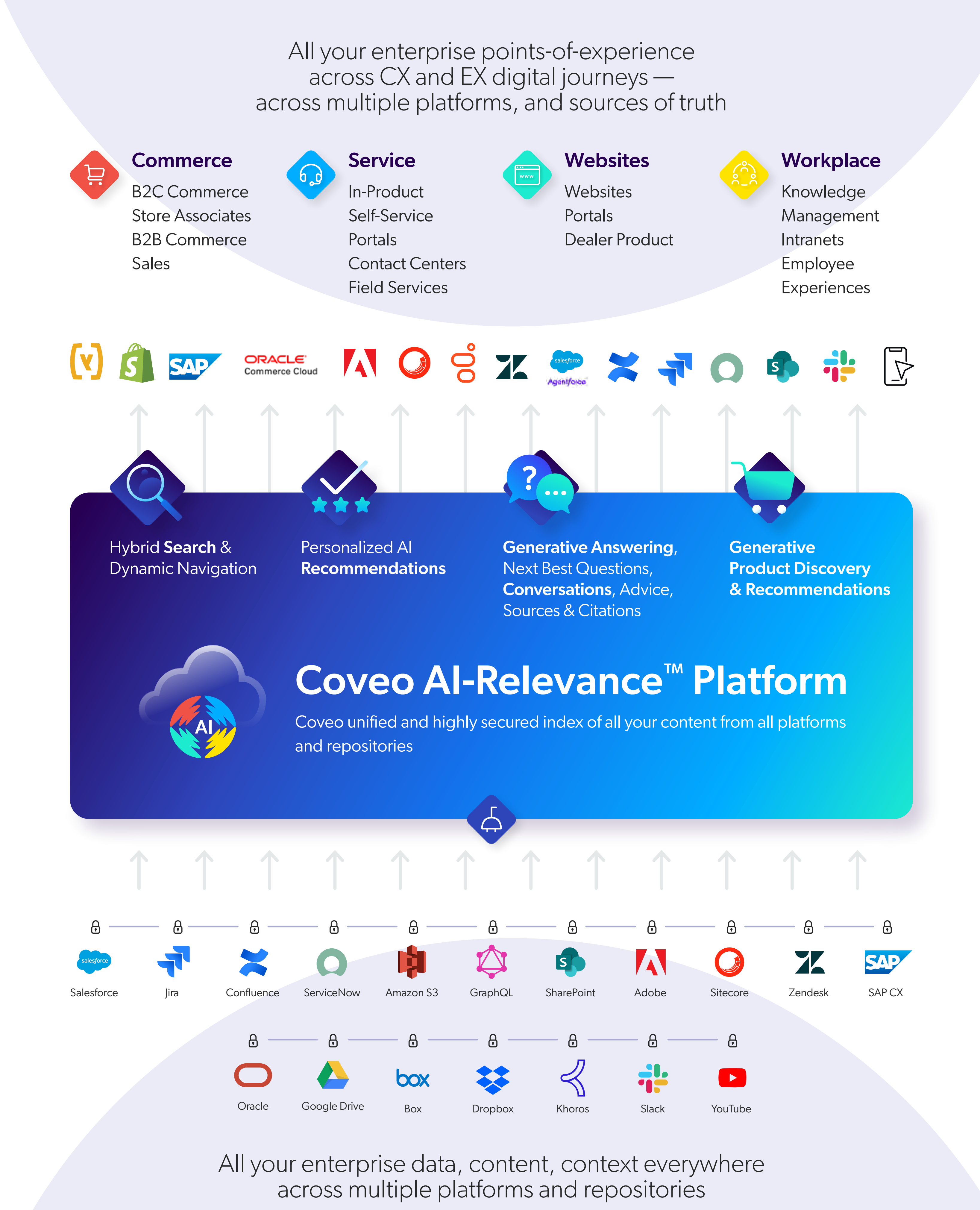
Unlike vector databases, which rely solely on semantic similarity, Coveo is optimized for true relevance:

- **Hybrid Search:** Combines exact-match keyword precision with semantic flexibility.
- **Freshness at Scale:** Real-time indexing of dynamic content like support tickets, documentation, and product catalogs.
- **Context-Aware Ranking:** Leverages behavioral signals, domain rules, and document quality to retrieve the most useful — not just similar — content.
- **Explainability:** Transparent logs, tunable rules, and full visibility into why results appear.

Coveo breaks down silos without migrating content — connecting enterprise systems through a secure hybrid index that lets you ask questions of your data wherever it lives.

And with off-the-shelf APIs and SDKs, teams can build fast, flexible, and secure AI-powered apps, agents, and assistants. Moreover, our AI-Relevance™ Platform is cloud-native, multi-tenant Software-as-a-Service (SaaS) solution. The platform meets the highest enterprise-grade security and compliance standards, including ISO 27001, ISO 27018, SOC 2, and HIPAA, with a 99.999% SLA available.

With Coveo, enterprises don't just adopt AI — they operationalize relevance at scale, turning every digital interaction into a strategic advantage.



Delivering Relevance at Every Point-of-Experience

Coveo delivers AI-Relevance where it matters most, personalizing commerce journeys, empowering customer service interactions, and unlocking enterprise knowledge with precision, speed, and scale. From AI-search to GenAI and Agentic AI, every interaction is context-aware, trustworthy, and grounded in contextually-relevant enterprise content. The list below highlights some of our key capabilities:

AI for Commerce (B2B & B2C)

AI Search, Product Discovery & Personalization at Scale

Effortless product discovery for B2C and B2B customers regardless of catalog complexity. Combines intelligent scalable AI-search with real-time 1:1 personalization — using real-time behavior, unified shopper context, and AI-tuned ranking to drive relevance and revenue from the very first interaction, even with anonymous users.

Smart, Adaptive Merchandising

Empowers merchandisers with intuitive, no-code tools to fine-tune product ranking and recommendations — blending AI automation with strategic control.

Revenue Optimization

Balances shopper intent with business priorities such as inventory, margins, and promotions — improving profitability without sacrificing customer experience.

Generative Product Discovery with Grounded GenAI

Powers interactive, AI-Product Discovery through conversational search and guided selling — grounded in catalog, non-product content, and user-generated data to deliver traceable, context-aware experiences optimized for conversion.

Commerce Analytics & Optimization

Provides rich insights into shopper behavior, content performance, and conversion paths — enabling continuous tuning of search, recommendations, and merchandising strategies to maximize impact across the digital storefront.

B2B and Complex-Catalog Ready

Supports malformed part number searches automating supersession identification. Handles custom catalogs, price variants, fitment, and omni-channel at Global-100 scale.

AI for Knowledge & Service

Intelligent Searchand Generated Answers Everywhere

Coveo's unified index connects portals, help centers, websites, and products — surfacing the most relevant answers without data migration or silos. All based on each user's intent, roles and context.

AI-Powered Agent Assist

Support teams resolve issues faster with contextual knowledge suggestions, real-time retrieval, and in flow guidance. Coveo boosts agent efficiency with contextual knowledge suggestions, real-time retrieval, and in-flow guidance.

Agentic AI for Efficient Support

Coveo's advanced ranking, hybrid search, and feedback loops enhance Agentic AI with smarter case classification, triage, and next-best actions — freeing agents for higher-value work.

Conversational GenAI Support

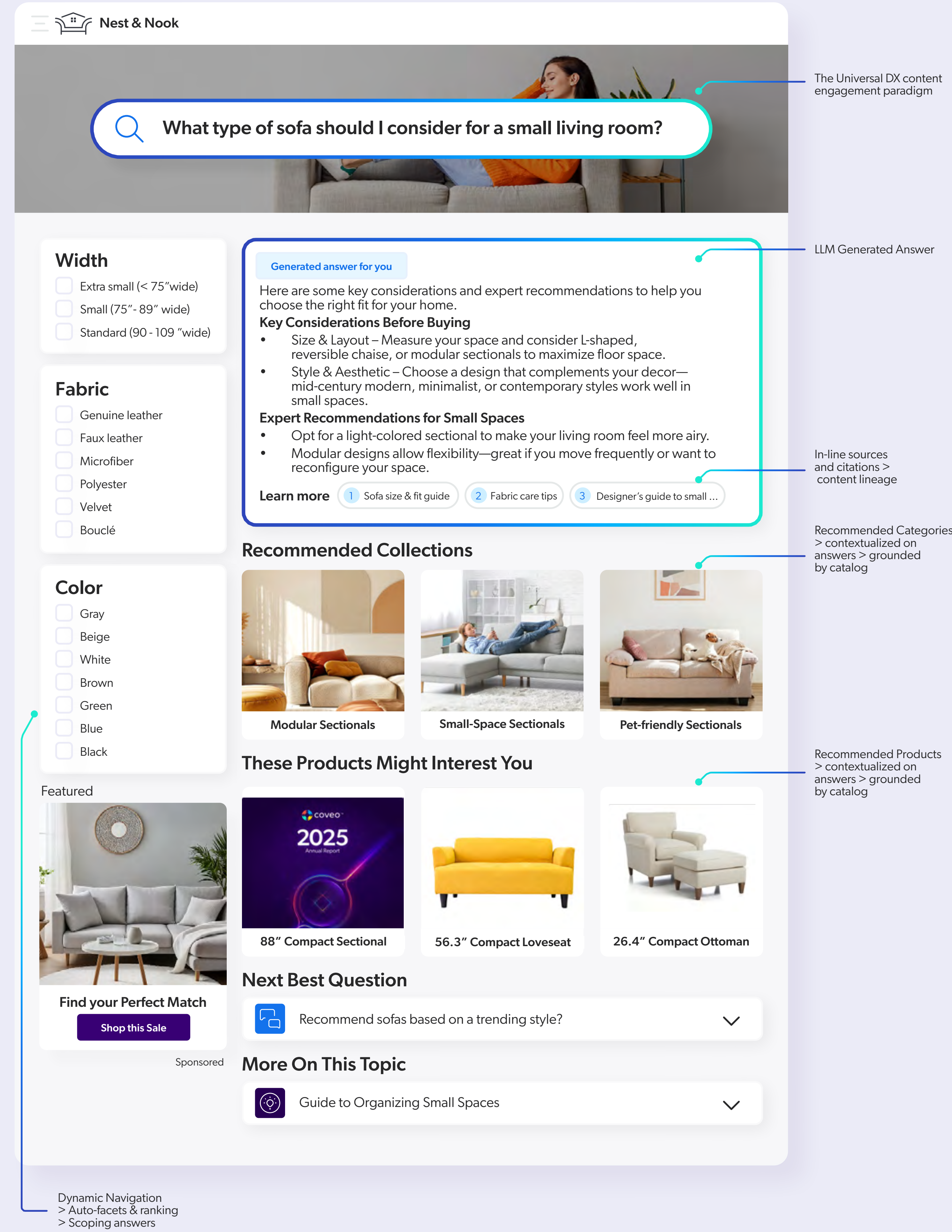
Coveo grounds chatbots and virtual assistants in enterprise knowledge — improving deflection and delivering trustworthy, 24/7 support.

Passage Retrieval API

Coveo's enterprise-grade retrieval engine connects LLMs to precise, contextually relevant content chunks — grounding generative responses in up-to-date facts.

Continuous Optimization

Coveo uses analytics, A/B testing, and machine learning to automatically improve relevance and performance across channels.



Partnering to Power Relevance at Scale

This year marked significant growth and deepened collaboration with our valued partners. Together, we've continued to drive innovation, expanding our capabilities through shared goals and mutual trust.

SAP Endorsed® App
We deepened our collaboration with SAP to deliver AI capabilities across CX channels from Commerce to Customer Service. Together, we're helping businesses deliver fast, accurate, individualized and relevant experiences at every touchpoint — for consumers, shoppers or contact center agents. This is driving real, measurable value across their digital journeys.

Salesforce ISV Partner
This year, we expanded our partnership with an Agentforce integration. This enhances deployments for large, complex enterprises, ensuring it delivers the most relevant, up-to-date knowledge — instantly.

New Shopify partnership
Now, we can support Shopify in bringing scalable AI search and generative commerce experiences to enterprise customers. As they expand further into enterprise B2B and B2C commerce, Coveo brings powerful, scalable AI-search to handle the complexities of personalization and revenue optimization across sizeable catalogs and large shopper audiences.

AWS ISV Accelerate Program
We're streamlining our ability to deliver industry-leading AI and generative AI solutions to global customers by working with AWS field sellers and providing access to simplified transactions in AWS Marketplace.

Additionally, Coveo is an Adobe Gold Partner, MACH Alliance member, Optimizely Partner, Genesys AppFoundry® ISV Partner.

In parallel, our partnerships with system integrators have continued to be a cornerstone of our success. Together, we've delivered end-to-end solutions that combine technology, strategy, and execution at scale. These collaborations have enabled faster go-to-market for key initiatives, improved integration across platforms, and ensured our solutions meet the evolving needs of our clients. We value the expertise and commitment of our system integrator partners and remain confident this strong foundation will accelerate our success in the coming year.

Alliance partners

SAP | aws | shopify | salesforce

SI partners

accenture | Perficient | Deloitte. | NETCONOMY

Recognized as a Leader by Industry Analysts and Customers

Industry analysts from Gartner, Forrester, IDC, and SoftwareReviews have recognized us for our platform solution. To us, this reinforces our position as a market leader.

Forrester™	Gartner®	IDC™	SoftwareReviews™
A Leader in Forrester Wave for Cognitive Search	**A Leader** in the Gartner® Magic Quadrant™ for Search and Product Discovery[1]	**A Leader** in IDC Marketscape for Knowledge Discovery Software	**Champion** in the Enterprise Search Emotional Footprint

Coveo's proven platform delivers fast, measurable financial outcomes fueling growth and ROI for leading enterprises. The customers and success stories on the next pages[2] illustrate just a few of the many ways our solutions drive value across diverse industries and use cases, showcasing the versatility and impact of our platform in real-world scenarios.

salesforce | SAP | docusign | f5
Pfizer | ABB | Cummins | arm
DAIKIN | TREK | okta | XXXLutz

1 Magic Quadrant for Search and Product Discovery, May 2024. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Annual Report),and the opinions expressed in the Gartner Content are subject to change without notice. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally, and MAGIC QUADRANT is a registered trademark of Gartner, Inc. and/or its affiliates and are used herein with permission. All rights reserved.

2 ROI estimates in customer stories were formulated after A/B testing and reflect the estimated benefits to the selected customers based on feedback received from such customers and data reported by them for periods selected by them. No guarantee of accuracy. The estimate of the potential benefit to other customers would depend on numerous variables, including the scale, results, and scope of operations of such other customers. These estimates are limited by the scaling factors of extrapolating these results from the specific project scope of each deployment across the customer's business. No customer has reviewed our methodology for estimating the potential economic and other benefits of our solutions to their businesses and they and others including readers may not agree with it or the assumptions that we have made. These estimates are subject to a high degree of uncertainty and risk due to a variety of factors. The examples set forth are individual experiences with our platform and solutions and not all customers and use cases may experience all of the benefits disclosed or concur with our estimates of such benefits. Time periods used to formulate the estimates vary significantly between customers and depend on each customer's own situation, use case and deployment. The definitions of the performance indicators used herein, and how they are calculated and reported, may vary materially between customers, and therefore, actual and reported results achieved by customers may vary materially between customers. Performance reported is not indicative of future results.

Becoming the First Click in Heavy-Duty™

FleetPride is the largest independent distributor of heavy-duty truck and trailer parts in the United States, with over 750,000 products, 300+ locations, and 400+ trusted brands. Their bold vision: to become the First Click in Heavy-Duty™, delivering seamless digital experiences to match the scale and urgency of their business.

Challenges

FleetPride's digital storefront wasn't delivering the speed or accuracy its customers needed. With a sprawling catalog of over one million SKUs, fragmented data sources, and limited inventory transparency, customers had to rely on in-house experts to locate the right part — a costly delay in an industry where time is money. The online experience wasn't intuitive, predictive, or localized.

Coveo's added value

By implementing Coveo's AI-powered search and recommendations platform, FleetPride unified its massive catalog into a single, searchable index — with real-time inventory capability. Advanced analytics and A/B testing allowed the team to continually improve the experience by understanding what customers searched for and where they ran into dead ends. The result: personalized shopping journeys, increased internal trust in search, and frictionless transactions.

Results & ROI

↑27%	↑9.6%	↑7%
Increase in Search Engagement	Increase in Conversion Rate YoY	Increase in RPV YoY

ear-over-year comparison based on data collected from March 2024 versus March 2023.

- Improved product discovery and stronger customer engagement
- Reduced reliance on customer support and faster ordering
- Real-time stock availability with VIN number lookup and localization context
- Increased revenue through tailored, intelligent customer experiences

"Coveo improves the speed of customers finding the part they need, ordering it and then getting back on the road, which is where they want to be instead of worrying about trying to find a part for a truck that's down."

Ken Clinchy, VP Digital, FleetPride

Redefining Furniture Shopping with Scalable AI

Freedom is a leading furniture and homeware retailer in Australia and New Zealand, with over 60 stores and more than 50,000 products. Facing growing customer expectations and a rapidly expanding catalog, Freedom set out to deliver intuitive, hyper-personalized experiences — fast.

Challenges

With the launch of a new drop-ship model and exponential product growth, Freedom had reached the limits of its existing search technology. The lack of relevant results, low personalization, and labor-intensive manual merchandising made it difficult to keep up with evolving customer demands and scale efficiently.

Coveo's added value

Coveo replaced Freedom's legacy system with a scalable AI-powered platform that unified indexing and automated relevance. Personalized product discovery journeys, predictive search suggestions, and intelligent listing pages eliminated manual work and enabled real-time merchandising. With Coveo, Freedom now manages thousands of category pages with ease — and with deeper insight into performance analytics.

Results & ROI

↓50%	↑15%	↑5.5%
Decrease in merchandising effort	Engagement with Search	Increase in AOV for those engaging with Search

Data provided by Freedom from the first 30 days after go-live, between December 2024 and January 2025

- Increased conversion rates through optimized, relevant search
- AI-powered listings automated thousands of pages, reducing merchandising time
- Multi-variant product displays with store availability and locator support
- Scalable, transparent architecture with plans to leverage Generative AI for customer engagement and innovation.

"We chose a partner who shares our vision and is invested in our growth. With Coveo's AI roadmap, we're continually pushing the boundaries of what we can deliver for our customers."

Paula Mitchell, Digital GM, Freedom Furniture

Zoom

Scaling Support with Smart Search and Generative AI

Zoom, a global technology leader with over $4.5B in revenue and 7,400+ employees, needed to evolve its support experience to keep pace with explosive growth. With millions of global users, Zoom sought a seamless, self-service model that could scale without compromising customer satisfaction.

Challenges

To meet rising demand, Zoom needed to eliminate content gaps, deflect cases, and deliver accurate answers — fast. With fragmented knowledge sources, inefficient search, and growing pressure on support teams, the existing experience couldn't keep up.

Coveo's added value

Zoom turned to Coveo's AI-Relevance Platform, unifying its content into a single intelligent index across 17 languages. Advanced machine learning and hybrid search made content retrieval seamless and context-aware. With Generative Answering layered on top, Zoom delivered quick, trustworthy answers — reducing case submissions and improving user trust.

Results & ROI

↓ 19%
Case Submission Rate

↑ 20%
Self-Service Success Rate

Data from logged-in users measured from November 1st to November 30, 2024

- Increase in case deflection
- Decrease in content gaps through unified indexing
- Boost in self-service success with Generative Answering
- Reduction in case submissions, saving hundreds of thousands annually
- Flexible deployment across platforms with minimal time-to-value

"If the user experience is the body and content is the blood, the Coveo platform is our central nervous system. We've become far more search-centric."

Jeff Harling, Head of Digital Support, Zoom

SAP Concur

At the forefront of CX Innovation

SAP Concur, a leader in travel and expense management, supports millions of users worldwide through a complex ecosystem of digital touchpoints. To better serve its global base, SAP Concur set out to reduce case volume and unify knowledge — without adding support overhead.

Challenges

SAP Concur needed to surface the right information, fast — across multiple portals, platforms, and languages. With content siloed and search limited, the experience was disjointed and support costs high. Scaling personalization and relevance across channels was a top priority.

Coveo's added value

By centralizing its knowledge base using Coveo's AI search and recommendations, SAP Concur created consistent, high-performing digital experiences across multiple properties: the Support Portal, SAP for Me, Customer Community, and Internal KB. Adding Coveo Relevance Generative Answering allowed them to deliver real-time, accurate responses — increasing customer confidence and deflecting unnecessary support cases.

Results & ROI

↓ 31%
Reduction in Case per 1,000 Search Sessions

↓ €8M
Reduction in Cost-to-Serve

Baseline data (Jan 1–Feb 29, 2024) reflects cases submitted without CRGA; post-CRGA data (Apr 19–Aug 31, 2024) reflects cases submitted with CRGA when an answer was generated. The €8M annual cost-to-serve reduction is an annualized projection based on the studied period.

- Unified AI-powered search across multiple properties
- Personalized experiences at scale with hybrid search and recommendations
- Reduction in case submissions
- Faster, more accurate answers with GenAI — boosting CSAT and efficiency

"We're now up to a 31% decline in case submits for every 1,000 search sessions… Customers are just not going on to create cases after that. You really cannot overstate the impact."

Michelle Lewis-Miller, VP, Head of Strategy & Transformation, SAP Concur

Our ESG Approach

Our ESG strategy is structured around three key pillars:

- Environmental: Reducing our carbon footprint through sustainable cloud practices and responsible operations.
- Social: Investing in DEI, employee well-being, and community impact.
- Governance: Ensuring ethical, transparent business practices and responsible AI development.

In 2021, we proudly joined industry leaders like Salesforce, Atlassian, and Yelp in the Pledge 1% movement, committing to donate 1% of our time, products, profit, and equity to support non-profits. We chose Knowledge and Education as the heart of our pledge, focusing our initiatives on empowering young people aged 6 to 18 from vulnerable social groups. Through strategic programs, we aim to create lasting impact by fostering learning opportunities and driving positive change in their communities.

Coveo also aligns its ESG efforts with the United Nations Sustainable Development Goals (SDGs), focusing on:

- Good Health & Well-Being (SDG 3) – Ensure healthy lives and promote well-being for all.
- Quality Education (SDG 4) – Empowering young people through access to knowledge.
- Gender Equality (SDG 5) – Increasing diversity in technology and leadership.
- Decent Work & Economic Growth (SDG 8) – Promote sustained, inclusive and sustainable economic growth.
- Reduced Inequalities (SDG 10) – Breaking down barriers to learning and career opportunities.

For further details, please refer to **www.coveo.com/esg**

coveo™
The AI-Relevance Company

Coveo Solutions Inc.

Consolidated Financial Statements

Years Ended March 31, 2025 and 2024
(expressed in thousands of US dollars)

Independent auditor's report

To the Shareholders of Coveo Solutions Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Coveo Solutions Inc. and its subsidiaries (together, the Company) as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 31, 2025 and 2024;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T.: +1 514 205 5000, F.: +1 514 876 1502, Fax to mail: ca_montreal_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Allocation of the transaction price to multiple performance obligations in contracts with customers *Refer to note 3 – Material accounting policies, note 4 – Significant accounting judgments, estimates, and assumptions and note 16 – Revenue to the consolidated financial statements.* The Company's contracts with customers can include the delivery of multiple products and services. The total revenue for the year is $133.3 million, of which a portion is related to multiple performance obligation contracts with customers. When contracts involve various performance obligations, the Company evaluates whether each performance obligation is distinct and should be accounted for separately. The total transaction price is determined at the inception of the contract and allocated to each distinct performance obligation based on their relative standalone selling prices (SSP). Significant judgment can be required in determining the relative SSP for distinct performance obligations. Management determines the relative SSP for subscription and professional services based on observable prices for the same or similar services, market conditions, and entity-specific factors such as pricing practices.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the relative SSP for subscription and professional services, which included the following: – Tested the effectiveness of controls relating to the revenue recognition process, including controls over the determination of relative SSP for subscription and professional services. – Tested a sample of revenue transactions by (i) agreeing key contractual terms back to signed contracts, including contract amendments and correspondence with customers, where applicable; and (ii) recalculating the allocation of the revenue based on the relative SSP determined by management's assessment. – Evaluated the reasonableness of the relative SSP related to subscription and professional services determined by management's assessment by considering the sales of similar products and services, bundled or standalone, and the Company's pricing practices.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significant judgments and assumptions used by management to estimate the relative SSP for subscription and professional services within a contract or contracts with a customer. This in turn resulted in significant audit effort and in subjectivity in performing procedures.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Popliger.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
May 20, 2025

[1] CPA auditor, public accountancy permit No. A 125677

Coveo Solutions Inc.

Consolidated Statements of Financial Position

As at March 31, 2025 and 2024

(expressed in thousands of US dollars)

	Notes	2025	2024
		$	$
Assets			
Current assets			
Cash and cash equivalents		124,752	166,586
Trade and other receivables	5	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	6	10,908	10,168
Property and equipment	7	4,192	5,608
Intangible assets	8	3,012	8,710
Right-of-use assets	9	5,179	6,032
Deferred tax assets	20	3,337	4,265
Goodwill	10	26,290	25,960
Total assets		**230,359**	**275,885**
Liabilities			
Current liabilities			
Trade payable and accrued liabilities	12	18,602	21,822
Deferred revenue	16	77,387	64,731
Current portion of lease obligations	9	1,999	2,153
		97,988	88,706
Non-current liabilities			
Lease obligations	9	5,464	6,885
Deferred tax liabilities	20	-	1,771
Total liabilities		103,452	97,362
Shareholders' Equity			
Share capital	13	768,754	836,271
Contributed surplus	14	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**

Commitments (note 23)

Approved by the Board of Directors

(Signed) Louis Têtu Director (Signed) Fay Sien Goon Director

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars, except number of shares)

	Notes	Number	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
			$	$	$	$	$
Balance as at March 31, 2023		**105,491,290**	**868,409**	**25,949**	**(631,988)**	**(43,837)**	**218,533**
Net loss		-	-	-	(23,610)	-	(23,610)
Foreign currency differences on translation to presentation currency		-	-	-	-	1,203	1,203
Total comprehensive income							(22,407)
Share-based payments	14	-	-	15,214	-	-	15,214
Income tax impact associated with share-based payments		-	-	668	-	-	668
Exercise of stock options	14	1,115,268	3,350	(974)	-	-	2,376
Settlement of share-based awards, net of shares withheld	14	432,548	3,414	(5,073)	-	-	(1,659)
Shares repurchased and cancelled	13	(4,399,794)	(38,902)	9,253	-	-	(29,649)
Repurchase of stock options	14	-	-	(4,553)	-	-	(4,553)
Balance as at March 31, 2024		**102,639,312**	**836,271**	**40,484**	**(655,598)**	**(42,634)**	**178,523**
Net loss		-	-	-	(13,753)	-	(13,753)
Foreign currency differences on translation to presentation currency		-	-	-	-	(6,135)	(6,135)
Total comprehensive loss							(19,888)
Share-based payments	14	-	-	17,309	-	-	17,309
Income tax impact associated with share-based payments		-	-	(173)	-	-	(173)
Exercise of stock options, net of shares withheld	14	1,464,947	2,337	(966)	-	-	1,371
Settlement of share-based awards, net of shares withheld	13	623,850	4,606	(7,271)	-	-	(2,665)
Shares repurchased and cancelled	13	(8,673,091)	(74,460)	26,890	-	-	(47,570)
Balance as at March 31, 2025		**96,055,018**	**768,754**	**76,273**	**(669,351)**	**(48,769)**	**126,907**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars, except number of shares)

	Notes	2025	2024
		$	$
Revenue	16		
SaaS subscription		126,631	118,581
Professional services		6,641	7,513
Total revenue		**133,272**	**126,094**
Cost of revenue			
SaaS subscription		22,969	21,733
Professional services		5,424	5,915
Total cost of revenue		**28,393**	**27,648**
Gross profit		**104,879**	**98,446**
Operating expenses			
Sales and marketing		59,615	55,099
Research and product development		35,904	35,804
General and administrative		25,424	26,628
Depreciation of property and equipment	7	2,567	2,393
Amortization and impairment of intangible assets	8	5,817	6,655
Depreciation of right-of-use assets	9	1,472	1,566
Total operating expenses		**130,799**	**128,145**
Operating loss		**(25,920)**	**(29,699)**
Net financial revenue	19	(5,063)	(6,674)
Foreign exchange loss (gain)		(5,526)	321
Loss before income tax expense (recovery)		**(15,331)**	**(23,346)**
Income tax expense (recovery)	20	(1,578)	264
Net loss		**(13,753)**	**(23,610)**
Other comprehensive income (loss)			
Items that may be reclassified to the consolidated statements of loss:			
Foreign currency differences on translation to presentation currency		(6,135)	1,203
Total comprehensive loss		**(19,888)**	**(22,407)**
Net loss per share – basic and diluted	15	(0.14)	(0.23)

The accompanying notes are an integral part of these consolidated financial statements.

Coveo Solutions Inc.

Consolidated Statements of Cash Flows

For the years ended March 31, 2025 and 2024

(expressed in thousands of US dollars)

	Notes	2025	2024
		$	$
Cash flows from operating activities			
Net loss		(13,753)	(23,610)
Items not affecting cash			
Amortization of contract acquisition costs	6	4,354	4,426
Depreciation of property and equipment	7	2,567	2,393
Amortization and impairment of intangible assets	8	5,817	6,655
Depreciation of right-of-use assets	9	1,472	1,566
Share-based payments	14	17,309	15,214
Interest on lease obligations	9, 19	415	532
Deferred income tax recovery	20	(1,034)	(705)
Unrealized foreign exchange loss (gain)		(4,223)	105
Changes in non-cash working capital items	21	(1,856)	(2,376)
		11,068	**4,200**
Cash flows used in investing activities			
Additions to property and equipment	7	(1,484)	(1,098)
Additions to intangible assets	8	(46)	(23)
		(1,530)	**(1,121)**
Cash flows used in financing activities			
Proceeds from exercise of stock options	14	1,371	2,376
Tax withholding for net share settlement		(2,861)	(1,452)
Payments on lease obligations	9	(2,456)	(2,313)
Shares repurchased and cancelled	13	(46,868)	(29,649)
Repurchase of stock options	14	-	(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

The accompanying notes are an integral part of these consolidated financial statements.

1. Incorporation and nature of activities

Coveo Solutions Inc. ("Coveo" or the "Company") is incorporated under the Canada Business Corporations Act. Its head office is located at 1100 avenue des Canadiens-de-Montréal, Suite 401, Montreal, Quebec, Canada. Coveo powers search, recommendations, and generative answering in digital experiences. The Company's Software as a Service ("SaaS") artificial intelligence ("AI") platform and suite of AI and generative AI models are designed to bring AI-Relevance across commerce, service, website, and workplace applications.

The Company's subordinate voting shares are listed on the Toronto Stock Exchange (the "TSX") under the stock symbol "CVO".

2. Basis of presentation and consolidation

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and include the accounts of Coveo and its wholly owned subsidiaries, Coveo Software Corp., Coveo Europe B.V. and Qubit Digital Limited.

These consolidated financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorized for issuance on May 20, 2025.

Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for lease obligations measured at present value.

Presentation currency

The functional currency of the Company is the Canadian dollar. The consolidated financial statements are presented in thousands of US dollars, except where otherwise indicated. The Company has adopted the US dollar as its presentation currency as it is the most commonly used reporting currency in its industry. The consolidated financial statements are translated into the presentation currency as follows: assets and liabilities are translated at the exchange rate in effect on the date of the consolidated financial position; and revenue and expenses are translated at the monthly average exchange rate. The foreign currency translation adjustment arising from such translation is included in accumulated other comprehensive loss in the consolidated statements of changes in shareholders' equity.

Foreign currency

Each foreign operation determines its own functional currency, and items included in the financial statements of each foreign operation are measured using that functional currency. The functional currency of each entity of the group is the following:

Coveo Solutions Inc.	Canadian dollar
Coveo Software Corp.	US dollar
Coveo Europe B.V.	Euro
Qubit Digital Limited	British pound sterling

Transactions denominated in currencies other than the functional currency are translated into the relevant functional currency at the exchange rate in effect on the date of the transactions. At the end of each reporting period, monetary assets and liabilities are translated at the exchange rate prevailing at that date. Foreign exchange gains and losses arising from such translation are included in the consolidated statements of loss and comprehensive loss. Non-monetary assets and liabilities measured at historical cost and denominated in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange gains or losses on monetary assets and liabilities that form part of a net investment in foreign operations are recorded in other comprehensive income (loss).

Consolidation

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. All intercompany transactions, balances, revenue, and expenses between the Company and its subsidiaries have been eliminated.

3. Material accounting policies

Government assistance

Government assistance, consisting of grants and refundable tax credits, is recorded as a reduction of the related qualifying expenses, in the period the expenses are incurred, when there is reasonable assurance that the Company has met or will meet the requirements of the approved grant or refundable tax credit program, based on management's interpretation of applicable legislation and contribution agreements.

Contract acquisition costs

Contract acquisition costs represent costs that are incremental to the acquisition of customer contracts, which consist mainly of sales commissions and associated payroll taxes and referral fees. The Company determines whether costs should be deferred based on sales compensation plans if the commissions are in fact incremental and would not have occurred without a customer contract.

Contract acquisition costs capitalized related to new revenue contracts are amortized on a straight-line basis over five years, which reflects the average period of benefit, including expected contract renewals. In arriving at this average period of benefit, the Company evaluated both qualitative and quantitative factors, which included the estimated life cycles of its offerings and its customer attrition. Additionally, the Company amortizes capitalized costs in relation to renewals over two years.

Amortization of contract acquisition costs is recognized in sales and marketing expense in the consolidated statements of loss and comprehensive loss. The Company periodically reviews the carrying amount of contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Office improvements	Lease term
Office furniture and equipment	5 years
Computer equipment	3 years

Depreciation methods, useful lives, and the residual values of property and equipment are reviewed annually for any change in circumstances and are adjusted prospectively if appropriate.

Intangible assets

After initial recognition, intangible assets are recorded at cost less accumulated amortization. Intangible assets are amortized using the straight-line method over their estimated useful lives as follows:

Technology	5 years
Customer relationships	6 years
Others	2 to 20 years

Other intangible assets consist of backlog and trademarks acquired through business combination, as well as patents.

Depreciation methods, useful lives, and the residual values of intangible assets are reviewed annually for any change in circumstances and are adjusted prospectively if appropriate.

Impairment of long-lived assets

The Company evaluates its property and equipment and finite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units or "CGUs").

Right-of-use assets and lease obligations

The Company assesses at contract inception whether a contract is, or contains, a lease, which is when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Office leases	Between 2 and 9 years

The right-of-use assets are also subject to impairment.

Lease obligations

At the commencement date of the lease, the Company recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Goodwill

Goodwill represents the excess of the purchase price over the estimated fair value of net tangible and identifiable intangible assets acquired in a business combination and is allocated to each CGU or group of CGUs that are expected to benefit from the related business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The Company tests for impairment the carrying value of goodwill in accordance with IAS 36, "Impairment of Assets", on an annual basis or more frequently if events or a change in circumstances indicate that it is more likely than not that the fair value of the goodwill is below its carrying amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss reversals are not allowed for goodwill.

Revenue recognition and deferred revenue

The Company generates revenue primarily in the form of SaaS subscriptions and professional services. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the following steps:

- Identification of the contract with a customer;
- Determination of whether the promised goods or services are performance obligations;
- Measurement of transaction price;
- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when the Company satisfies each performance obligation.

The Company's contracts with customers can include the delivery of multiple products and services. When contracts involve various performance obligations, the Company evaluates whether each performance obligation is distinct and should be accounted for separately. The total transaction price is determined at the inception of the contract and allocated to each distinct performance obligation based on their relative standalone selling prices ("SSP"). Significant judgment can be required in determining the relative SSP for distinct performance obligations. Management determines the relative SSP for subscription and professional services based on observable prices for the same or similar services, market conditions, and entity-specific factors such as pricing practices.

The Company generally invoices annually in advance and receives payment from its customer on the invoice due date. In instances where the timing of revenue recognition differs from the timing of invoicing and subsequent payment, it was determined that the Company's contracts generally do not include a significant financing component.

SaaS subscription

The Company's SaaS subscription revenue services allow customers to access and use the Company's multi-tenant software over the contract period without taking possession of the software. SaaS services are provided on a subscription basis and recognized ratably over the term of the contract as the Company satisfies the performance obligation.

Professional services

Professional services are provided for implementation and configuration of SaaS subscriptions. The Company's professional services are generally not essential to the functionality of the software. They are typically time-based arrangements and revenue is recognized as these services are performed. In certain circumstances, the Company enters into arrangements for professional services on a fixed price basis; in these cases, revenue is recognized by reference to the stage of completion of the contract.

Deferred revenue

Deferred revenue consists of amounts invoiced in advance of revenue recognition for the products and services described above. The Company recognizes deferred revenue as revenue only when the revenue recognition criteria have been met.

Income taxes

Current and deferred tax are recognized as an expense or income in the consolidated statements of loss and comprehensive loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive loss or directly in equity), in which case the tax is also recognized outside of profit or loss.

Current tax

The current tax payable is based on taxable income for the year. Taxable loss differs from pre-tax loss as reported in the consolidated statements of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

The Company uses the fair value-based method to measure share-based payments for all awards made to directors, employees, and consultants. The grant date fair value is determined using the Black-Scholes model for stock options as well as non-market performance-based stock options and using the Monte Carlo model for market performance-based stock options.

The fair value of the restricted share units ("RSUs"), deferred share units ("DSUs"), and performance share units ("PSUs") is measured using the fair value of the Company's shares at the grant date.

For market performance-based stock options, the market conditions are considered in the fair value estimated at the grant date and this fair value is not revised subsequently. For non-market performance-based stock options and for PSUs, the Company estimates the expected outcome of the performance targets and how many options and PSUs are expected to vest. The Company revises those estimates and related expense until the final outcome is known.

The grant date fair value of share-based payments granted is recognized as an expense, with a corresponding increase in the equity, over the vesting period of the awards. The Company also estimates forfeitures at the time of grant and revises its estimates in subsequent periods if actual forfeitures differ from these estimates.

Net loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the basic weighted average number of outstanding common shares.

Diluted loss per share is computed similarly but reflects the potential dilution that would occur if options were exercised or share-based awards released. The Company has stock options and share-based awards as potentially dilutive securities. The treasury share method is used to determine the dilutive effect of these securities. Diluted net loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Operating segments

Operating segments are components of a company engaged in business activities that earn revenues and incur expenses, whose results are reviewed and monitored regularly by the Company’s Chief Operating Decision-Maker ("CODM") in order to make decisions, direct resources to its operations and evaluate its results, and for which discrete information is available. The CODM is a function comprising the Chief Executive Officer and the Chief Financial Officer. Information is reviewed on a consolidated basis and as such, the Company has determined that it operates in a single operating and reporting segment.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

The Company determines the classification of its financial assets at initial recognition. The Company's financial assets are classified as follows:

Financial instrument	Classification
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost

Impairment of financial assets

At each reporting date, the Company recognizes loss allowances for expected credit losses ("ECLs") on trade and other receivables. The amount of any increase in the allowance for ECLs is recognized in the consolidated statements of loss and comprehensive loss.

The allowance follows the simplified approach under IFRS 9, "Financial instruments", which uses the lifetime ECLs for trade receivables. The allowance is estimated based on the Company's collection history, the outstanding amount past the average credit period, observable economic conditions affecting default rate on receivable, and financial hardship specific to the customer. The Company has established a provision matrix using this information, which is used to determine the amount of the ECLs at each reporting period.

When a trade receivable is uncollectible, it is written off against the allowance for expected credit losses. Subsequent recoveries of amounts previously written off are credited to the consolidated statements of loss and comprehensive loss.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The Company's financial liabilities are classified as follows:

Financial instrument	Classification
Trade payable and accrued liabilities	Amortized cost

Amortized cost

Subsequent to initial recognition, financial liabilities at amortized cost are measured using the effective interest rate method.

New accounting standards and interpretations adopted

For the year ended March 31, 2025, the Company evaluated the new accounting standards and interpretations issued and effective under IFRS Accounting Standards and determined that they have no material impact on its consolidated financial statements.

New accounting standards and interpretations issued but not yet adopted

In April 2024, the International Accounting Standards Board ("IASB") has issued IFRS 18, "Presentation and Disclosure in Financial Statements", which includes requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income, and expenses. The new IFRS 18 standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" to clarify the date of recognition and derecognition of some financial assets and liabilities including introducing a new exception for certain financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. This amendment is effective for annual periods beginning on or after January 1, 2026. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

4. Significant accounting judgments, estimates, and assumptions

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses, and disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates, judgments, and assumptions are reviewed periodically, and the effects of revisions are recorded in the consolidated financial statements in the period in which the estimates are revised and in any future periods affected. Estimates, judgments, and assumptions include, but are not limited to, the following areas of accounting and disclosure:

Allocation of transaction price to performance obligations

The determination of the SSP for distinct performance obligations can require significant judgment and estimates. The Company estimates SSP for bundled items such as SaaS subscription and professional services in subscription arrangements that are not sold separately. The Company uses a range of amounts to estimate SSP when it sells each of the products and services and determines whether there is a discount that needs to be allocated based on the relative SSP of the various products and services. SSP for subscriptions and professional services is established based on observable prices for the same or similar services, market conditions, and entity-specific factors such as pricing practices.

Income taxes

The Company is subject to income tax laws and regulations in some jurisdictions. Under these laws and regulations, uncertainties exist with respect to the interpretation of complex tax laws and regulations and the amount and timing of future taxable income. Management has made reasonable estimates and assumptions to determine the amount of tax assets and tax liabilities that can be recognized in the consolidated financial statements, based upon the likely timing and level of anticipated future taxable income together with tax planning strategies.

Deferred income tax assets

Management exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are based on the Company's most recent forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules and tax planning strategies in the various jurisdictions in which the Company operates are carefully taken into consideration. Management uses judgment to assess specific facts and circumstances to evaluate legal, economic, or other uncertainties.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

Share-based payments

The Company uses the Black-Scholes valuation model and the Monte Carlo valuation model to determine the fair value of equity settled stock options. Estimates are required for inputs to these models including the exercise price of the option and current price of the underlying share, the expected term of the option, the expected volatility of the underlying share for the expected term of the option, the expected dividend yield on the underlying share for the expected term of the option, and the risk-free interest rate for the expected term of the award. Variation in actual results for any of these inputs will result in a different value of the stock option realized from the original estimate. The assumptions and estimates used are further outlined in note 14.

The expense recognized for performance-based stock-options is based on an estimation of the probability of achieving the market and non-market conditions and the timing of the achieving of the market condition, which is difficult to predict. The final expense is only determinable when the outcome is known.

Impairment of non-financial assets

The Company's impairment test for goodwill is based on internal estimates of fair value less costs of disposal calculations and uses valuation models based on market approach. Key assumptions on which management has based its determination of fair value less costs of disposal include revenue multiple of companies deemed to be similar to the Company. This estimate, including the methodology used, the assessment of CGUs and how goodwill is allocated, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Whenever other non-financial assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management, including discount rate and expected future cash flows. In the process of measuring expected future cash flows from an asset, management makes assumptions relating to future events and circumstances. The actual results will vary and may cause adjustments to the Company's assets in future periods.

5. Trade and other receivables

	2025	2024
	$	$
Trade accounts receivable	34,976	28,400
Sales tax receivable	1,047	1,303
Other	740	309
Allowance for expected credit losses	(199)	(65)
	36,564	**29,947**

6. Contract acquisition costs

	2025	2024
	$	$
Balance at beginning	10,168	11,148
Additions	5,252	3,442
Amortization	(4,354)	(4,426)
Effect of movement in exchange rate	(158)	4
Balance at end	**10,908**	**10,168**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

7. Property and equipment

2025	Office improvements	Office furniture and equipment	Computer equipment	Total
	$	$	$	$
Cost				
Balance at beginning	9,155	1,170	6,700	17,025
Additions	38	51	1,320	1,409
Disposals and write-offs	-	-	(1,010)	(1,010)
Effect of movement in exchange rate	(533)	(69)	(323)	(925)
Balance at end	**8,660**	**1,152**	**6,687**	**16,499**
Accumulated depreciation				
Balance at beginning	5,302	1,003	5,112	11,417
Depreciation	1,410	98	1,059	2,567
Disposals and write-offs	-	-	(1,010)	(1,010)
Effect of movement in exchange rate	(359)	(62)	(246)	(667)
Balance at end	**6,353**	**1,039**	**4,915**	**12,307**
Net carrying value as at March 31, 2025	**2,307**	**113**	**1,772**	**4,192**

2024	Office improvements	Office furniture and equipment	Computer equipment	Total
	$	$	$	$
Cost				
Balance at beginning	9,135	1,128	6,173	16,436
Additions	31	43	1,085	1,159
Disposals and write-offs	-	-	(544)	(544)
Effect of movement in exchange rate	(11)	(1)	(14)	(26)
Balance at end	**9,155**	**1,170**	**6,700**	**17,025**
Accumulated depreciation				
Balance at beginning	4,159	859	4,572	9,590
Depreciation	1,153	146	1,094	2,393
Disposals and write-offs	-	-	(544)	(544)
Effect of movement in exchange rate	(10)	(2)	(10)	(22)
Balance at end	**5,302**	**1,003**	**5,112**	**11,417**
Net carrying value as at March 31, 2024	**3,853**	**167**	**1,588**	**5,608**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

8. Intangible assets

2025	Technology	Customer relationships	Others	Total
	$	$	$	$
Cost				
Balance at beginning	8,050	9,251	662	17,963
Additions	-	-	46	46
Disposals and write-offs	-	-	(3)	(3)
Impairment	-	(2,892)	-	(2,892)
Effect of movement in exchange rate	171	82	7	260
Balance at end	**8,221**	**6,441**	**712**	**15,374**
Accumulated amortization				
Balance at beginning	3,958	4,703	592	9,253
Amortization	1,627	1,292	6	2,925
Disposals and write-offs	-	-	(3)	(3)
Effect of movement in exchange rate	102	75	10	187
Balance at end	**5,687**	**6,070**	**605**	**12,362**
Net carrying value as at March 31, 2025	**2,534**	**371**	**107**	**3,012**

2024	Technology	Customer relationships	Others	Total
	$	$	$	$
Cost				
Balance at beginning	7,886	12,279	2,711	22,876
Additions	-	-	23	23
Disposals and write-offs	-	-	(2,095)	(2,095)
Impairment	-	(3,200)	-	(3,200)
Effect of movement in exchange rate	164	172	23	359
Balance at end	**8,050**	**9,251**	**662**	**17,963**
Accumulated amortization				
Balance at beginning	2,300	2,984	2,485	7,769
Amortization	1,601	1,673	181	3,455
Disposals and write-offs	-	-	(2,095)	(2,095)
Effect of movement in exchange rate	57	46	21	124
Balance at end	**3,958**	**4,703**	**592**	**9,253**
Net carrying value as at March 31, 2024	**4,092**	**4,548**	**70**	**8,710**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

Impairment of customer relationships

During the year ended March 31, 2024, following customer attrition experienced as a result of the Company's decision to decrease investment in certain acquired product capabilities of Qubit Digital Ltd ("Qubit"), the Company reassessed the value of its customer relationships acquired through the business combination with Qubit. The intangible assets fair value was estimated using a discounted cash flow model with a discount rate of 11.1%. Such reassessment resulted in an impairment loss of $3,200.

During the quarter ended March 2025, the Company took the additional step of fully deprecating the Qubit Platform. As part of this decision, the Company reassessed the value of its customer relationships associated with the business combination. The updated fair value, estimated using a discounted cash flow model with a discount rate of 14.0%, reflected further deterioration, leading to a second impairment loss of $2,892.

These losses are included in amortization and impairment of intangible assets in the consolidated statement of loss.

9. Right-of-use assets and lease obligations

The following table presents changes in the right-of-use assets balance:

	2025	2024
	$	$
Balance at beginning	6,032	7,645
Additions	1,016	-
Modifications to lease contracts	(125)	(42)
Depreciation	(1,472)	(1,566)
Effect of movement in exchange rate	(272)	(5)
Balance at end	**5,179**	**6,032**

The following table presents changes in the lease obligations:

	2025	2024
	$	$
Balance at beginning	9,038	10,869
Additions	1,016	-
Modifications to lease contracts	(125)	(42)
Payments	(2,456)	(2,313)
Interest expense on lease obligations	415	532
Effect of movement in exchange rate	(425)	(8)
Balance at end	**7,463**	**9,038**
Current portion	1,999	2,153
Non-current portion	5,464	6,885

The Company has office leases in Canada and United Kingdom. Expenses relating to short-term leases and low-value assets are not significant.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

10. Goodwill

	2025	2024
	$	$
Balance at beginning	25,960	25,642
Effect of movement in exchange rate	330	318
Balance at end	**26,290**	**25,960**

Goodwill is allocated to the Company as a whole CGU. The Company used a market-based approach (revenue multiple) to perform its annual goodwill impairment test. The fair value estimate is based on assumed revenue multiples of companies deemed to be similar to the Company. The Company concluded that the recoverable amount of the CGU exceeds the carrying value. Therefore, no impairment loss has been recognized as at March 31, 2025 and 2024.

11. Credit facility

As at March 31, 2024, the Company had a credit agreement, which provided for a $50,000 revolving credit facility bearing interest at prime rate either for advances denominated in Canadian dollars or in US dollars, with a minimum interest rate of 1% per annum for advances denominated in Canadian dollars. The credit agreement expired on April 28, 2024 and as such, the revolving credit facility lapsed and was not renewed.

On August 26, 2024, the Company entered into a new revolving credit facility for an amount of up to $60,000. The credit facility is a revolving operating line of credit subject to certain customary financial and other covenants and reporting requirements. The facility is secured by a first ranking hypothec in the principal amount of C$125,000, by a U.S. guarantee and general security agreement entered into by certain of the Company's U.S.-based subsidiaries, and by other customary guarantees. Advances denominated in Canadian dollars bear interest at bank's prime rate plus 0.50% and advances denominated in US dollars bear interest at bank's US base rate.

As at March 31, 2025 and 2024, the Company had not drawn on the credit facilities and was in compliance with the credit facilities' covenants.

12. Trade payable and accrued liabilities

	2025	2024
	$	$
Trade accounts payable	313	2,889
Accrued compensation and benefits	12,200	12,885
Sales taxes payable	196	492
Income taxes payable	28	704
Accrued liabilities	5,865	4,852
	18,602	**21,822**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

13. Share capital

The Company's authorized share capital consists of:

- An unlimited number of subordinate voting shares, voting rights at 1 vote per share, entitled to receive dividends on a share-for-share basis at such times and in such amounts and form as the Board may from time to time determine, but subject to the rights of the holders of any preferred shares, non-convertible into any other class of shares;
- An unlimited number of multiple voting shares, voting rights at 10 votes per share, entitled to receive dividends on a share-for-share basis at such times and in such amounts and form as the Board may from time to time determine, but subject to the rights of the holders of any preferred shares, and convertible on a share-for-share basis into subordinate voting shares; and
- An unlimited number of preferred shares, nonvoting, entitled to preference over subordinate voting shares and multiple voting shares with respect to payment of dividends and distribution of assets.

The following table presents the changes in the share capital:

	2025		2024	
	Number of shares	Value $	Number of shares	Value $
Subordinate voting shares				
Balance at beginning of year	59,145,989	503,192	52,445,993	460,755
Exercise of stock options	3,875	30	13,498	102
Settlement of share-based awards, net of shares withheld	623,850	4,606	432,548	3,414
Conversion from multiple voting shares	1,611,987	11,015	10,653,744	77,823
Shares repurchased and cancelled(1)	(8,673,091)	(74,460)	(4,399,794)	(38,902)
Outstanding – end of year	52,712,610	444,383	59,145,989	503,192
Multiple voting shares				
Balance at beginning of year	43,493,323	333,079	53,045,297	407,654
Exercise of stock options, net of shares withheld	1,461,072	2,307	1,101,770	3,248
Conversion to subordinate voting shares	(1,611,987)	(11,015)	(10,653,744)	(77,823)
Outstanding – end of year	43,342,408	324,371	43,493,323	333,079
	96,055,018	**768,754**	**102,639,312**	**836,271**

(1) For the year ended March 31, 2025, the value includes the impact of the share buyback tax of $702 (nil in 2024), recorded as a reduction of share capital.

Substantial issuer bid

2024 substantial issuer bid

On July 12, 2024, the Company repurchased for cancellation 6,493,506 subordinate voting shares (including 45,343 multiple voting shares on an as-converted basis) following the completion of a substantial issuer bid (the "2024 SIB") at a price of C$7.70 per subordinate voting share, for a total consideration of $36,550. An amount of $54,937 corresponding to the carrying amount of the shares repurchased has been recorded as a reduction of the share capital and an amount of $18,387 corresponding to the excess of carrying value of the shares repurchased over the purchase price has been recorded within contributed surplus. The Company incurred transaction costs of $394 in connection with the 2024 SIB, which were recorded as a reduction of share capital.

2023 substantial issuer bid

On July 12, 2023, the Company repurchased for cancellation 3,706,194 subordinate voting shares (including 480,000 multiple voting shares on an as-converted basis) following the completion of a substantial issuer bid (the "2023 SIB") at a price of C$8.50 per subordinate voting share, for a total consideration of $23,800. An amount of $32,344 corresponding to the carrying amount of the shares repurchased has been recorded as a reduction of the share capital and an amount of $8,544 corresponding to the excess of carrying value of the shares repurchased over the purchased price has been recorded within contributed surplus. The Company incurred transaction costs of $490 in connection with the 2023 SIB, which were recorded as a reduction of share capital.

Normal course issuer bid

On July 12, 2023, the board of directors of the Company authorized, and the TSX approved, a normal course issuer bid ("NCIB") to purchase for cancellation a maximum of 2,559,247 subordinate voting shares over the twelve-month period commencing July 17, 2023, and ending no later than July 16, 2024. On July 10, 2024, the board of directors of the Company authorized the renewal of its NCIB to purchase for cancellation a maximum of 2,690,573 subordinate voting shares over the twelve-month period commencing on July 17, 2024 and ending no later than July 16, 2025. Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX or alternative trading systems, at the market price at the time of purchase.

During the year ended March 31, 2025, the Company repurchased for cancellation 2,179,585 subordinate voting shares for a total consideration of $9,924. An amount of $18,427 corresponding to the carrying amount of the shares repurchased has been recorded as a reduction of the share capital and an amount of $8,503 corresponding to the excess of carrying value of the shares repurchased over the purchase price has been recorded within contributed surplus.

During the year ended March 31, 2024, the Company repurchased for cancellation 693,600 subordinate voting shares for a total consideration of $5,311. An amount of $6,020 corresponding to the carrying amount of the shares repurchased has been recorded as a reduction of the share capital and an amount of $709 corresponding to the excess of carrying value of the shares repurchased over the purchased price has been recorded within contributed surplus. The Company incurred transaction costs of $48 in connection with the NCIB, which were recorded as a reduction of share capital. During that period, the Company also repurchased for cancellation under the NCIB 700,000 stock options of the Company for aggregate consideration of $4,553 at a discount of 5% to the prevailing market price at the time of execution (note 14).

14. Share-based payments

In 2005, the Company adopted a stock option plan ("the Legacy Option Plan"), which was subsequently amended and restated in 2019. In connection with the Company's initial public offering (the "IPO"), the Company amended the Legacy Option Plan such that outstanding options granted thereunder are exercisable for multiple voting shares and no further awards can be made under the Legacy Option Plan.

In connection with the IPO, the Company also adopted the Omnibus Incentive Plan, which allows the Board to grant long-term share-based awards to eligible participants, including stock options, RSUs, PSUs, and DSUs.

The Company has also made grants of performance-based stock options and RSUs in compliance with an allowance under the rules of the TSX as inducements for executives to enter into contracts of employment with the Company. The terms of such grants are aligned with the terms of comparable awards granted under the Omnibus Incentive Plan. A separate share reserve is maintained for issuance in connection with the exercise or settlement of such awards.

As at March 31, 2025, 4,677,848 multiple voting shares and 15,998,250 subordinate voting shares were reserved for issuance under the Legacy Option Plan, the Omnibus Incentive Plan, and inducements for executives.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

Stock options

Stock options granted under the Legacy Option Plan generally vest at a rate of 25% annually over four years and have a term of ten years. Options granted under the Omnibus Plan generally vest at a rate of 25% on the first anniversary of the grant date and in twelve equal quarterly tranches thereafter until fully vested and have a term of five years.

The Company also granted performance-based stock options to certain executives. Non-market performance-based stock options vest based on achieving certain operating targets. They vest at a rate of 25% on the first anniversary of the grant date and in twelve equal quarterly tranches thereafter until fully vested and have a term of five years. Market performance-based stock options vest based on the Company achieving and maintaining certain share price targets. They vest at a rate of 33% on the first anniversary of the grant date and in eight equal quarterly tranches thereafter until fully vested and have a term of six years, assuming attainment of performance conditions.

The following table presents information about stock options outstanding and exercisable:

	2025		2024	
	Number of options	Weighted average exercise price CA $	Number of options	Weighted average exercise price CA $
Balance at beginning of year	11,205,236	7.56	13,716,309	7.10
Granted[1]	-	-	403,546	8.25
Exercised	(1,760,917)	2.36	(1,115,268)	2.87
Forfeited[2]	(539,357)	9.30	(1,099,351)	10.46
Repurchased for cancellation[3]	-	-	(700,000)	1.81
Outstanding – end of year	**8,904,962**	**8.48**	**11,205,236**	**7.56**
Exercisable – end of year	5,184,056	4.33	6,465,535	3.57

(1) Corresponds to Performance Stock Options ("PSOs") with performance based on the level of achievement of pre-determined non-market conditions. PSOs that will actually vest vary from 0% to 100% of the number granted, with target vesting at 66.6%.

(2) During the year ended March 31, 2025, 255,716 stock options with vesting dependant on performance criteria were forfeited (nil in 2024).

(3) During the year ended March 31, 2024, the Company repurchased for cancellation under the NCIB 700,000 stock options of the Company at a discount of 5% to the prevailing market price from two former executive officers, for aggregate consideration of $4,553.

The following table provides summary information on the stock options issued and outstanding as at March 31, 2025:

	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price C$
Range of exercise prices			
C$0.47 to C$1.50	852,600	1.74	1.40
C$2.81 to C$4.08	2,495,965	3.42	2.92
C$5.00 to C$10.80	1,931,774	3.64	7.02
C$12.19 to C$15.75	3,624,623	2.94	14.76
Balance at end	**8,904,962**	**3.11**	**8.48**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

The following table provides summary information on the stock options issued and outstanding as at March 31, 2024:

	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price C$
Range of exercise prices			
C$0.47 to C$1.50	1,626,697	2.19	1.16
C$2.81 to C$4.08	3,254,499	4.39	2.93
C$5.00 to C$10.80	2,622,103	4.82	7.18
C$12.19 to C$15.75	3,701,937	3.96	14.71
Balance at end	**11,205,236**	**4.03**	**7.56**

No options were granted during the year ended March 31, 2025. The fair value of options granted during the year ended Mach 31, 2024 has been established using the Black-Scholes option pricing model, with the following weighted average assumptions:

	2024
Exercise price of the option and current price of the underlying share (C$)	8.25
Expected term of the option (in years)	4.00
Expected volatility of the underlying share for the expected term of the option	50%
Expected dividend yield on the underlying share for the expected term of the option	Nil
Risk-free interest rate for the expected term of the award	3.88%
Weighted average fair value of option (C$)	3.55
Number of options granted	403,546

Share-based awards

RSUs are settled by issuance of shares and generally vest at a rate of 33% on the first anniversary of the grant date and in eight equal quarterly tranches thereafter until fully vested.

PSUs are settled by issuance of shares at the vesting date and generally vest at a rate of 33% on the first anniversary of the grant date and in eight equal quarterly tranches thereafter until fully vested. The number of PSUs that will actually vest generally varies from 0% to 150% of the number granted, with target vesting at 100%, based on the level of achievement of a pre-determined non-market performance measurement, determined by the Board.

DSUs generally vest at a rate of 100% on the first anniversary of the grant date and are settled by issuance of shares after the termination date of the holder.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

The following tables present information about RSUs, DSUs, and PSUs outstanding:

2025

	RSUs		DSUs		PSUs	
	Number of awards	Weighted average grant date fair value C$	Number of awards	Weighted average grant date fair value C$	Number of awards	Weighted average grant date fair value C$
Balance at beginning of year	2,981,880	9.07	471,607	8.78	152,005	8.10
Granted	3,287,809	7.57	302,413	5.91	946,288	7.62
Settled	(1,024,994)	10.50	(51,565)	7.69	(45,043)	8.13
Forfeited	(539,975)	8.43	(4,884)	10.30	(104,888)	7.82
Outstanding – end of year	4,704,720	7.78	717,571	7.64	948,362	7.65

2024

	RSUs		DSUs		PSUs	
	Number of awards	Weighted average grant date fair value C$	Number of awards	Weighted average grant date fair value C$	Number of awards	Weighted average grant date fair value C$
Balance at beginning of year	3,653,952	9.35	453,624	8.75	184,407	8.01
Granted	540,942	9.74	153,733	10.16	14,300	10.29
Settled	(644,928)	10.80	(35,750)	9.55	-	-
Forfeited	(568,086)	9.55	(100,000)	10.50	(46,702)	8.41
Outstanding – end of year	2,981,880	9.07	471,607	8.78	152,005	8.10

Share-based payment expense

For the year ended March 31, 2025, shared-based payment expense of $17,309 ($15,214 in 2024) was recorded in the consolidated statements of loss and comprehensive loss with a corresponding credit to contributed surplus.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

15. Net loss per share

For the years ended March 31, 2025 and 2024, a net loss was recorded and therefore, all potentially dilutive shares have been excluded from the calculation of the diluted net loss per share because their effect would have been anti-dilutive. Consequently, the basic and diluted number of shares is the same.

	2025	2024
Net loss	(13,753)	(23,610)
Weighted average number of shares outstanding – basic and diluted	98,427,800	103,318,469
Net loss per share – basic and diluted	**(0.14)**	**(0.23)**

The weighted average number of potentially dilutive shares that are not included in the diluted net loss per share calculation because they would be anti-dilutive was 15,404,166 stock options and share-based awards for the year ended March 31, 2025 (16,191,979 in 2024). This weighted average number includes all of the Company's issued and outstanding potentially dilutive shares notwithstanding exercise prices, as applicable.

16. Revenue

The following table presents revenue of the Company by geographical area:

	2025	2024
	$	$
Canada	9,357	7,229
United States	101,113	95,207
Other	22,802	23,658
	133,272	**126,094**

As at March 31, 2025, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) was $196,146 (155,020 in 2024), of which $111,556 (94,469 in 2024) is current and $84,590 (60,551 in 2024) is non-current.

Contract liabilities

As at March 31, 2025, the Company had deferred revenue of $77,387 ($64,731 in 2024). Revenue recognized that was included in the deferred revenue balance at the beginning of the year ended March 31, 2025 was $64,731 ($55,260 in 2024).

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

17. Employee compensation

The following table presents employee compensation expenses of the Company, excluding government assistance:

	2025	2024
	$	$
Salary and other short-term benefits	88,673	88,527
Share-based payments and related expenses	16,676	16,621
	105,349	**105,148**

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

	2025	2024
	$	$
Saas subscription cost of revenue	817	944
Professional services cost of revenue	455	650
Sales and marketing	3,707	2,434
Research and product development	5,334	5,845
General and administrative	6,363	6,748
	16,676	**16,621**

18. Government assistance

The following table presents government assistance amounts recognized by the Company:

	2025	2024
	$	$
Saas subscription cost of revenue	783	762
Professional services cost of revenue	345	350
Research and product development	6,698	8,663
	7,826	**9,775**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

19. Net financial revenue

	2025	2024
	$	**$**
Interest on lease obligations	415	532
Interest revenue	(5,478)	(7,206)
	(5,063)	**(6,674)**

20. Income taxes

Income tax expense (recovery) includes the following components:

	2025	2024
	$	$
Current income tax expense (recovery)		
Related to current year	54	969
Related to prior years(1)	(598)	-
	(544)	**969**
Deferred income tax expense (recovery)		
Related to current year	446	(705)
Related to prior years(1)	(1,480)	-
	(1,034)	**(705)**
Total income tax expense (recovery)	**(1,578)**	**264**

(1) During the year ended March 31, 2025, a revision of accounting estimates related to some of the Company's non-capital losses led to the reversal of an income tax liability and the recognition of a deferred tax asset. The deferred tax asset was recognized to the extent of the previously recognized deferred tax liability related to taxable temporary differences on intangible assets. Since the deferred tax asset and the deferred tax liability are levied by the same authority, they were offset, reducing the deferred tax liability to nil. This change in estimate resulted in an income tax recovery of $2,078, included in the consolidated statement of loss.

Deferred income tax recovery includes the following components:

	2025	2024
	$	$
Deferred income taxes relating to the origination and reversal of temporary differences	(2,173)	(7,248)
Unrecognized deferred income tax assets on temporary deductible differences and unused tax losses	1,139	6,543
	(1,034)	**(705)**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

The income tax expense (recovery) reported, which includes foreign taxes, differs from the amount of the income tax recovery computed by applying the Canadian statutory rate as follows:

	2025	2024
	$	$
Loss before tax expense (recovery)	(15,331)	(23,346)
Income tax recovery at combined Canadian federal and provincial statutory rate (26.50% in 2025 and 2024)	(4,063)	(6,187)
Impact of rate differential of foreign jurisdictions	54	(29)
Non-deductible share-based payments	3,256	281
Other non-deductible expenses and non-taxable amounts	267	(577)
Unrecognized deferred income tax assets on temporary deductible differences and unused tax losses	1,138	6,543
Previously unrecognized deferred income tax assets on unused tax losses	(2,078)	-
Other	(152)	233
Total income tax expense (recovery)	**(1,578)**	**264**

The changes in the deferred income tax assets and liabilities for the year ended March 31, 2025 are as follows:

	Balance as at March 31, 2024	Credited (charged) to consolidated statements of loss and comprehensive loss	Charged to consolidated statements of changes in shareholders' equity	Effect of movement in exchange rate	Balance as at March 31, 2025
	$	$	$	$	$
Property and equipment	10	378	-	(12)	376
Intangible assets	205	110	-	-	315
Lease obligations	2,387	(564)	-	(122)	1,701
Losses carried forward	2,673	268	-	-	2,941
Share-based payments	1,323	(469)	(173)	-	681
Other	92	(2)	-	-	90
Intangible assets and goodwill	(1,786)	1,110	-	(18)	(694)
Right-of-use assets	(1,598)	409	-	81	(1,108)
Contract acquisition costs	(751)	(71)	-	46	(776)
Other	(61)	(135)	-	7	(189)
Net deferred tax assets	**2,494**	**1,034**	**(173)**	**(18)**	**3,337**
Classified as follows					
Deferred income tax assets	4,265				3,337
Deferred income tax liabilities	(1,771)				-
	2,494				**3,337**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

The changes in the deferred income tax assets and liabilities for the year ended March 31, 2024 were as follows:

	Balance as at March 31, 2023	Credited (charged) to consolidated statements of loss and comprehensive loss	Credited to consolidated statements of changes in shareholders' equity	Effect of movement in exchange rate	Balance as at March 31, 2024
	$	$	$	$	$
Property and equipment	127	(117)	-	-	10
Intangible assets	-	205	-	-	205
Lease obligations	2,880	(492)	-	(1)	2,387
Losses carried forward	3,711	(1,042)	-	4	2,673
Share-based payments	310	345	668	-	1,323
Other	-	92	-	-	92
Intangible assets and goodwill	(2,956)	1,229	-	(59)	(1,786)
Right-of-use assets	(2,026)	427	-	1	(1,598)
Contract acquisition costs	(781)	29	-	1	(751)
Other	(90)	29	-	-	(61)
Net deferred tax assets	**1,175**	**705**	**668**	**(54)**	**2,494**
Classified as follows					
Deferred income tax assets	3,896				4,265
Deferred income tax liabilities	(2,721)				(1,771)
	1,175				**2,494**

Unrecognized deferred income tax assets on temporary deductible differences and unused tax losses are as follows:

	2025	2024
	$	$
Temporary deductible differences	15,574	16,662
Losses carried forward	31,879	29,963
	47,453	**46,625**

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

As at March 31, 2025, the Company has accumulated non-capital losses for Canadian federal and provincial income tax purposes. These losses can be carried forward against future years' taxable income and will expire as follows:

	Federal	Provincial
	$	$
2026	1,444	1,409
2027	494	465
2028	668	645
2031	184	173
2032	2,439	2,480
2033	1,617	1,558
2034	1,330	1,292
2035	5,495	5,369
2036	5,518	6,250
2037	4,232	4,931
2038	4,834	5,407
2039	4,786	5,852
2040	11,621	12,259
2041	12,151	12,185
2042	13,184	13,047
2043	21,815	21,640
2044	12,077	12,317
2045	2,761	2,761
	106,650	**110,040**

As at March 31, 2025, the Company's wholly owned subsidiaries have non-capital losses of $12,908 ($223 in 2024), available to reduce future taxable income for which the benefits have not been recognized. These losses can be carried forward indefinitely.

As at March 31, 2025, the Company has available Canadian federal non-refundable investment tax credits of $1,037 ($964 in 2024) related to research and development expenditures which may be used to reduce Canadian federal income taxes payable in future years. These non-refundable investment tax credits begin to expire in 2029. The Company also has a non-refundable e-business tax credit of $6,680 ($6,036 in 2024) expiring on various dates starting in 2032 that may be used to reduce provincial income taxes payable in future years.

The benefits of these non-refundable investment tax credits have not been recognized in the consolidated financial statements.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

21. Consolidated statements of cash flows

The following table presents the changes in non-cash working capital items:

	2025	2024
	$	$
Trade and other receivables	(8,558)	(5,576)
Government assistance	3,167	(2,822)
Prepaid expenses	(1,652)	(3)
Contract acquisition costs	(5,252)	(3,442)
Trade payable and accrued liabilities	(2,529)	89
Deferred revenue	12,968	9,378
	(1,856)	**(2,376)**

22. Related party transactions

The Company's key management personnel are members of senior management and directors who have the power and responsibility to plan, manage, and control the Company's operations. These transactions are in the normal course of operations and are measured at the exchange amount.

The compensation of key management personnel and directors for the year is as follows:

	2025	2024
	$	$
Salary and other short-term benefits	3,243	4,022
Share-based payments and related expenses	6,844	5,668
	10,087	**9,690**

23. Commitments

The Company's minimum aggregate commitments amount to approximately $54,333. This amount includes mainly data-hosting agreements, license agreements and property lease for which the term has not yet commenced. Minimum annual installments under these agreements are $13,644 within one year, $40,314 between one and five years, and $375 in more than five years.

24. Financial instruments

The Company's activities expose it to a variety of financial risks, including market risk (including fair value, currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of cash and cash equivalents, trade and other receivables, and trade payable and accrued liabilities is considered to be equal to their respective carrying values due to their short-term maturities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency transactions originate from certain operations in legal entities of the Company denominated in foreign currencies other than their functional currency. Additional volatility arises from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate in effect on the date of the consolidated statements of financial position. The Company's objective in managing its currency risk is to limit its exposure to currencies other than its functional currency.

The following tables provide a summary of the Company's exposure to the US dollar (USD), Euro (EUR), and the British pound sterling (GBP), expressed in US dollars:

	2025			
	USD	**EUR**	**GBP**	**Total**
	$	**$**	**$**	**$**
Cash and cash equivalents	96,170	886	1,421	98,477
Trade and other receivables	1,176	108	242	1,526
Trade payable and accrued liabilities	(3,284)	(46)	(416)	(3,746)
Net financial exposure	**94,062**	**948**	**1,247**	**96,257**

	2024			
	USD	**EUR**	**GBP**	**Total**
	$	**$**	**$**	**$**
Cash and cash equivalents	105,694	1,012	627	107,333
Trade and other receivables	1,670	168	271	2,109
Trade payable and accrued liabilities	(4,269)	(43)	(154)	(4,466)
Net financial exposure	**103,095**	**1,137**	**744**	**104,976**

The Company is mainly exposed to currency risk in the entity Coveo Solutions Inc for transactions denominated in US dollars converted to the Canadian functional currency. For the year ended March 31, 2025, if the US dollar had strengthened 5% against the Canadian dollar, with all other variables held constant, pre-tax loss for the year would have been $4,887 lower ($5,325 in 2024). A 5% weakening of the U.S. dollar against the Canadian dollar would have had an equal but opposite effect. The Company does not currently enter into arrangements to hedge its currency risk exposure.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is mainly exposed to interest rate risk on its cash and cash equivalents bearing interest at variable rates. Based on the balances as at March 31, 2025, a reasonably possible 1% fluctuation in interest rates, with all other variables held constant, would have an impact of $662 on pre-tax loss. As at March 31, 2024, the Company's interest rate risk was considered low, as the majority of cash and cash equivalents were bearing interest at fixed rates. As at March 31, 2025 and 2024, the Company has not drawn on the credit facility.

Credit and concentration risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial instruments that potentially expose the Company to credit risk concentrations consist primarily of cash and cash equivalents, and trade and other receivables. Credit risk with respect to cash and cash equivalents is managed by maintaining low-risk investments with high credit quality financial institutions.

Credit risk associated with trade and other receivables is minimized and inherently managed due to the Company's large and diverse customer base, with no particular concentration of credit risk. Additionally, trade and other receivables balances are monitored on an ongoing basis to ensure allowances for expected credit losses are established and maintained appropriately.

The following table presents the aging of the net trade receivables as at March 31, 2025 and 2024:

	2025	2024
	$	$
Current	28,915	24,296
Past due		
0-30 days	4,129	2,462
31-60 days	1,439	1,486
61-90 days	95	92
Greater than 90 days	398	64
	34,976	**28,400**

Liquidity risk

Liquidity risk is the risk that the Company would have insufficient funds in a timely manner to meet its financial obligations as they become due and therefore be unable to honour its financial commitments.

The Company monitors its liquidity requirements on an ongoing basis to ensure it has sufficient cash to meet operational needs and financial commitments. As at March 31, 2025 and 2024, the Company also had access to credit facilities to facilitate liquidity management and ensure the Company's flexibility.

(expressed in thousands of US dollars, except share and per share data and as otherwise indicated)

The tables below present the contractual maturities of financial liabilities as at March 31, 2025 and 2024. The amounts disclosed are contractual undiscounted cash flows:

2025

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	More than 5 years
	$	$	$	$	$
Trade payable and accrued liabilities	18,602	18,602	18,602	-	-
Lease obligations	7,463	8,227	2,294	5,933	-

2024

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	More than 5 years
	$	$	$	$	$
Trade payable and accrued liabilities	21,822	21,822	21,822	-	-
Lease obligations	9,038	10,301	2,577	6,683	1,041

25. Capital management

The Company's capital is composed of non-current liabilities and shareholders' equity. The general objectives of the Company’s capital management strategy are to support continued growth while preserving capacity to continue operations, to provide benefits to stakeholders, and to provide an adequate return on investment to shareholders through selling the Company's services at prices commensurate with the level of operating risk assumed by the Company.

Management defines capital requirements in alignment with the Company’s strategic goals and tolerance for risk, taking into consideration the nature of its operations and the volatility of the markets in which it operates. The capital structure is reviewed regularly and adjusted as necessary in response to changes in the macroeconomic environment and the risk profile of the underlying assets.

26. Segmented information

The following table presents non-current assets of the Company by geographical area:

	2025	2024
	$	$
Canada	12,907	14,195
United States	26,782	18,530
United Kingdom	6,110	23,481
Others	3,782	272
	49,581	**56,478**

Non-current assets exclude deferred tax assets, when applicable.

For the years ended March 31, 2025 and 2024, no customer represented more than 10% of the Company’s revenue. Refer to note 16 for revenue information by geographical area.

The AI-Relevance Company

Coveo Solutions Inc.

Management's Discussion and Analysis

For the Year Ended March 31, 2025

Management's Discussion and Analysis of Financial Condition and Results of Operations

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "Coveo", "we", "us", or "our" refer to Coveo Solutions Inc. and its subsidiaries as constituted on March 31, 2025.

This MD&A dated May 20,2025, for the three-months period and fiscal years ended March 31, 2025 and March 31, 2024, should be read in conjunction with the Company's audited annual consolidated financial statements along with the related notes thereto for the fiscal years ended March 31, 2025 and March 31, 2024. The financial information for the fiscal years ended March 31, 2025 and March 31, 2024 presented in this MD&A is derived from the Company's audited annual consolidated financial statements for the fiscal years ended March 31, 2025 and March 31, 2024 , which have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard"). All amounts are in U.S. dollars unless otherwise indicated.

Forward-Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions.

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.

This forward-looking information includes, among other things, statements relating to: our intention to repurchase subordinate voting shares of Coveo under our normal course issuer bid, including under our automatic securities disposition plan entered into with a third party broker; our business plans and strategies (including growth strategies); expectations regarding revenue from customer subscriptions; expectations regarding Coveo's revenue and revenue mix, expenses, investments, and operating results; expectations regarding our ability to successfully retain and expand relationships with existing customers; expectations regarding growth opportunities and our ability to capture an increasing share of addressable markets, including for commerce and knowledge solutions, and strengthen our competitive position; our environmental, social and governance objectives, vision and strategic goals; goodwill impairments; and expectations regarding our ability to increase our penetration of international markets and selectively pursue and successfully integrate acquisitions, including in respect of identified cross-selling opportunities.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions that we considered appropriate and reasonable as of the date such statements are made. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, actual results may vary from the forward-looking information contained herein. Certain assumptions made in preparing the forward-looking information contained in herein include, without limitation: our ability to capitalize on growth opportunities and implement our growth strategy; our ability to attract new customers, both domestically and internationally; 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 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 ("AIF") available under our profile on SEDAR+ at www.sedarplus.ca and under "Key Factors Affecting our Performance" of this MD&A. 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.

Moreover, we operate in a very competitive and rapidly changing environment. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

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

Business Overview

The business of Coveo

Coveo has over a decade of experience in helping global enterprises leverage the benefits of AI to improve business outcomes. Our Coveo AI-Relevance™ Platform powers search, recommendations, and generative answering in digital experiences across knowledge (service, website, workplace) and commerce applications. Our platform is cloud-native Software as a Service ("SaaS"), multi-tenant, API-first, and headless, and powers the digital experiences for many of the world's most innovative brands, serving millions of people and billions of interactions. Our solutions are designed to provide tangible financial value to our customers by helping to drive improvements in conversion rates, revenue and margins, reduce the cost to serve, increase customer satisfaction and engagement, and improve employee proficiency and satisfaction.

Coveo's AI-Relevance™ Platform securely connects to internal sources of content along with a variety of external sources to retrieve and index structured and unstructured content, and combines this content with click-stream events and behavior patterns. Using AI, machine learning, natural language processing, deep learning, and large language models ("LLMs"), our solutions help to determine what users are looking for in real-time, and learn which content delivers optimal outcomes based on a deep understanding of what worked best for others. As more data accumulates, our solutions learn to better predict each user's needs, and then automatically recommend personalized content.

Our AI-Relevance platform includes our Coveo Relevance Generative Answering™ (CRGA) and our Relevance-Augmented Passage Retrieval API capabilities which integrates LLM technology with Coveo's platform to feed generative AI with a common, secure unified index and real-time content, helping to drive relevance at scale and consistent factuality with secure sources of truth across all channels. This helps to solve some of the key challenges of utilizing generative AI for enterprise use cases.

We primarily generate revenue from the recurring sale of SaaS subscriptions. Our contracts generally have multi-year terms and are subject to renewal at the end of the subscription term. We generally sell and distribute our solutions through our direct sales force and a network of global systems integrators and implementation partners. We have established strategic relationships with leading global technology platforms, including with Salesforce as a Salesforce AppExchange ISV Partner, SAP as an SAP® Endorsed App, a Shopify Premier technology partner, and Adobe as an Adobe Technology Gold Partner. We are also a MACH Alliance member, an Optimizely partner, and a Genesys AppFoundry ISV Partner. We have collaborated with these partners, as well as others, to integrate our solutions within their platforms, enabling users to unify content from multiple sources as well as deploy our usage analytics and machine learning models natively within these applications. Moreover, our platform is ISO 27001 and ISO 27018 certified, SOC2 compliant, and HIPAA compatible, with a 99.999% SLA available.

Key Performance Indicators

We monitor our key performance indicators to help us evaluate our business, measure our performance, identify trends, formulate business plans, and make strategic decisions. They are operating metrics used in Coveo's industry. 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.

For the reporting period ended March 31, 2025 and going forward, the Company has made the decision to retire the "current SaaS Subscription Remaining Performance Obligations" ("cRPO") key performance indicator as this measure is no longer a primary metric used to measure our performance, formulate business plans or make strategic plans given the shifting nature of our go-to-market strategies. Moreover, cRPO is an IFRS metric and as such, remains available for review in note 16 of our consolidated financial statements.

- **SaaS Subscription Revenue:** Our main focus is on growing our SaaS Subscription Revenue. We believe that our ability to increase our SaaS Subscription Revenue, as presented in our consolidated financial statements in accordance with IFRS Accounting Standards, is an indicator of the success of our growth strategy. The recurring nature and predictability of our SaaS Subscription Revenue provides visibility into future performance, and the upfront annual payments we typically receive on these contracts results in cash flows generation in advance of revenue recognition. Our SaaS Subscription Revenue was $32.6 million for the three months ended March 31, 2025, an increase of $1.9 million or 6% compared to the three months ended March 31, 2024. For the fiscal year ended March 31, 2025 SaaS subscription revenue was $126.6 million, an increase of $8.1 million or 7% compared to the fiscal year ended March 31,2024. Subscriptions to Coveo's core platform (the "Coveo core Platform") contributed $31.6 million of SaaS Subscription Revenue in the fourth quarter, an increase of 10% compared to the same period last year and $121.3 million for the fiscal year ended March 31,2025, which represents an increase of 11% compared to the same period last year. The remaining $1.0 million for the three months ended March 31, 2025 and $5.3 million for the fiscal year ended March 31, 2025 was SaaS Subscription Revenue earned through subscriptions to the legacy Qubit Digital Ltd ("Qubit") platform (the "Qubit Platform").

- **Net Expansion Rate:** We believe that Net Expansion Rate ("NER") is a useful indicator of our ability to maintain and expand our relationships with our customers over time and a key indicator of the long-term value that we provide to them. This indicator compares our SaaS Annualized Contract Value[1] ("SaaS ACV") from the same set of customers across comparable periods. We calculate this rate 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 ACV attributable to that cohort at the end of the current period selected, by the SaaS ACV attributable to that cohort at the beginning of

[1] *"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.*

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 sold 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.

Our NER was 103% as of March 31, 2025 and was negatively impacted by the expected customer attrition experienced during the period and prior quarters due to our previously announced decision to decrease our investment in the Qubit Platform. During the quarter ended March 31, 2025, the Company took the additional step to formally deprecate the Qubit Platform and expect remaining revenue to churn by December 31, 2025. Excluding the effect of SaaS ACV attributable to subscriptions to the Qubit Platform, our NER was 107% as of March 31, 2025.

Non-IFRS Financial Measures and Ratios and Reconciliation of Non-IFRS Financial Measures and Ratios

Non-IFRS financial measures and ratios are not recognized measures under IFRS Accounting Standards and do not have a standardized meaning prescribed by IFRS Accounting Standards. These measures and ratios are unlikely to be comparable to similar measures and ratios presented by other companies. Rather, non-IFRS financial measures and ratios are provided as additional information to complement financial statements by providing further understanding of our 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 our financial information reported under IFRS Accounting Standards.

We believe that non-IFRS financial measures and ratios are useful in providing supplemental information regarding our performance by excluding certain items that may not be indicative of our core business, operating results, or future outlook or have no incidence on our cash flows. Management uses non-IFRS financial measures and ratios to make performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine certain components of management compensation.

Adjusted EBITDA

Adjusted EBITDA is defined as net income or net loss, excluding interest, taxes, depreciation of property and equipment and right-of-use-assets, amortization and impairment of intangible assets (or EBITDA), adjusted for stock-based compensation and related expenses, foreign exchange gains and losses, acquisition-related compensation, transaction-related expenses, and other one-time or non-cash items.

We use Adjusted EBITDA to provide additional measures of our net income or net loss and thereby highlight trends in our business that may not otherwise be evident when relying solely on financial measures in accordance with IFRS Accounting Standards. We believe that Adjusted EBITDA provides a useful supplemental measure of the Company's operating performance because it helps illustrate underlying trends in our business that might otherwise be obscured by the impact of income or expenses that are not representative of the basic operating performance of our business, that are non-monetary in nature or that have variability that is not related to our operating performance. In all cases, in the process of evaluating the decision to exclude the effect of an element, the Company takes into consideration whether reporting issuers in its industry generally eliminate the effect of this element, with the objective of facilitating comparison between similar financial measures used by issuers operating in our industry. The issuer cautions readers that this non-IFRS measure (and the calculation thereof) may differ from non-IFRS measures presented (and calculated) by other reporting issuers.

The following table reconciles Adjusted EBITDA to net loss for the periods indicated:

	Three months ended March 31,		**Year ended March 31,**	
In thousands of U.S. dollars	**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.

Adjusted Gross Profit Measures and Adjusted Gross Margin Measures

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 payments 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 where product revenue represents SaaS subscription revenue and Adjusted Product Gross Profit represents SaaS subscription revenue less SaaS subscription costs of 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".

We believe that Adjusted Gross Profit Measures and Adjusted Gross Margin Measures provide our management with consistency and comparability with our past financial performance and facilitate period-to-period comparisons of our direct costs and gross profit by excluding the effects of certain variables for reasons unrelated to our basic overall operating performance, the effects of certain items that are non-monetary in nature and, or the effects of items that fluctuate materially from period to period based on factors beyond our control. In all cases, in the process of evaluating the decision to exclude the effect of an element, the Company considers whether reporting issuers in its industry generally eliminate the effect of this element, with the objective of facilitate comparison between similar financial measures used by issuers operating in the same industry. The issuer cautions readers that this non-IFRS measure (and the calculation thereof) may differ from non-IFRS measures presented (and calculated) by other reporting issuers.

The table below provides a reconciliation of Adjusted Gross Profit to gross profit, Adjusted Product Gross Profit to product gross profit, and Adjusted Professional Services Gross Profit to professional services gross profit:

	Three months ended March 31,		Year ended March 31,	
In thousands of U.S. dollars	2025	2024	2025	2024
	$	$	$	$
Total revenue	**34,350**	**32,582**	**133,272**	**126,094**
Gross profit	**27,103**	**25,583**	**104,879**	**98,446**
Gross margin	*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**
Adjusted Gross Margin	*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**
Product gross margin	*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**
Adjusted Product Gross Margin	*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**
Professional services gross margin	*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**
Adjusted Professional Services Gross Margin	*27%*	*33%*	*25%*	*30%*

Adjusted Operating Expense Measures and 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 sales and marketing expenses, research and product development expenses, and general and administrative expenses excluding share-based payments 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".

We believe that Adjusted Operating Expense Measures and Adjusted Operating Expense (%) provide our management with consistency and comparability with our past financial performance and facilitate period-to-period comparisons of our operating expenses by excluding the effects of certain variables for reasons unrelated to our basic overall operating performance, the effects of certain items that are non-monetary in nature and, or the effects of items that fluctuate materially from period to period based on factors beyond our control. In all cases, in the process of evaluating the decision to exclude the effect of an element, the Company considers whether reporting issuers in its industry generally eliminate the effect of this element, with the objective of facilitate comparison between similar financial measures used by issuers operating in the same industry. The issuer cautions readers that this non-IFRS measure (and the calculation thereof) may differ from non-IFRS measures presented (and calculated) by other reporting issuers.

The table below provides a reconciliation of Adjusted Sales and Marketing Expenses to sales and marketing expenses, Adjusted Research and Product Development Expenses to research and product development expenses, and Adjusted General and Administrative Expense to general and administrative expenses:

	Three months ended March 31 ,		Year ended March 31,	
In thousands of U.S. dollars	2025	2024	2025	2024
	$	$	$	$
Sales and marketing expenses	**15,734**	**13,953**	**59,615**	**55,099**
Sales and marketing expenses (% of total revenue)	*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**
Adjusted Sales and Marketing Expenses (% of total revenue)	*43%*	*41%*	*42%*	*42%*
Research and product development expenses	**8,537**	**8,769**	**35,904**	**35,804**
Research and product development expenses (% of total revenue)	*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**
Adjusted Research & Product Development Expenses (% of total revenue)	*22%*	*23%*	*23%*	*24%*
General and administrative expenses	**5,819**	**6,596**	**25,424**	**26,628**
General and administrative expenses (% of total revenue)	*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**
Adjusted General and Administrative Expenses (% of total revenue)	*13%*	*16%*	*14%*	*16%*

2024 Substantial Issuer Bid

On July 12, 2024, the Company announced that it had repurchased 6,493,506 subordinate voting shares (including 45,343 multiple voting shares on as-converted basis) at a price of C$7.70 per subordinate voting share, for an aggregate purchase price of approximately C$50 million ($36.6 million), under its substantial issuer bid launched on June 4 (the "SIB"). The Company repurchased approximately 6.24% of the total number of its issued and outstanding shares (prior to purchases under the SIB) pursuant to the SIB at the time of take-up. The payment and the settlement of the purchased shares were effected on July 16, 2024.

2023 Substantial Issuer Bid

On July 12, 2023, the Company announced that it had repurchased 3,706,194 subordinate voting shares (including 480,000 multiple voting shares on as-converted basis) at a price of C$8.50 per subordinate voting share, for an aggregate purchase price of approximately $23.8 million (C$31.5 million), under a substantial issuer bid launched on May 30, 2023 (the "SIB"). The Company repurchased approximately 3.5% of the total number of its issued and outstanding shares (prior to purchases under the SIB) pursuant to the SIB, at the time of take-up. The payment and the settlement of the purchased shares were effected on July 13, 2023.

Renewal of Normal Course Issuer Bid

On July 10, 2024, the board of directors of the Company approved the renewal of its normal course issuer bid (the "NCIB") to purchase for cancellation a maximum of 2,690,573 subordinate voting shares of the Company, representing approximately 5% of the subordinate voting shares of the Company issued and outstanding as at July 10, 2024, taking into account the 6,493,506 subordinate voting shares (including 45,343 multiple voting shares on an as-converted basis) bought back under the SIB that closed on July 12, 2024. The Company is authorized to make purchases under the NCIB over the twelve-month period commencing on July 17, 2024 and ending on July 16, 2025, in accordance with the requirements of the Toronto Stock Exchange (the "TSX") and applicable securities laws.

The Company also announced that, in connection with the NCIB, it has renewed its automatic securities purchase plan (the "ASPP") with a designated broker. The ASPP is intended to allow for the purchase of subordinate voting shares under the NCIB at times when Coveo would ordinarily not be permitted to purchase its securities due to regulatory restrictions and internal trading blackout periods. Pursuant to the ASPP, purchases may be made by the designated broker based on pre-established purchasing parameters, without further instructions by Coveo, in compliance with the rules of the TSX, applicable securities laws, and the terms of the ASPP.

During fiscal year 2025, from the launch of the NCIB on July 17, 2024 to the end of the quarter on March 31, 2025, the Company repurchased for cancellation a total of 2,179,585 subordinate voting shares at a weighted average price of C$6.24 per share for total consideration of $9.9 million. A copy of the Company's Form 12 – *Notice of intention to make a normal course issuer bid* may be obtained without charge by security holders by contacting investors@coveo.com.

The renewal of the NCIB follows the conclusion of Coveo's previous normal course issuer bid, which expired on July 16, 2024. During fiscal year 2024, Coveo purchased 1,393,600 securities under its normal course issuer bid, through open market purchases on the TSX and Canadian alternative trading systems and through a privately negotiated transaction in reliance upon a statutory issuer bid exemption, with shares purchased at a weighted average price of C$10.26 per share for a total consideration of $9.9 million. This was comprised of 693,600 subordinate voting shares (for a total consideration of $5.3 million) and 700,000 stock options of the Company repurchased in reliance upon a separate statutory issuer bid exemption at a price representing a discount of 5% to the prevailing market price of the subordinate voting shares at the time of execution, less the exercise price of such options (for a total consideration of $4.6 million). Coveo had received the approval of the TSX to purchase up to 2,559,247 securities under its previous normal course issuer bid. No securities were repurchased between March 31, 2024, and the renewal of the NCIB on July 17, 2024.

Credit Facility

On August 26, 2024, the Company entered into a new revolving credit facility for an amount of up to $60 million. The credit facility is a standard revolving operating line of credit subject to certain customary financial and other covenants and reporting requirements. The facility is secured by a first ranking hypothec in the principal amount of C$125 million, by a U.S. guarantee and general security agreement entered into by certain of the Company's U.S.-based subsidiaries, and by other customary guarantees. Advances denominated in Canadian dollars bear interest at bank's prime rate plus 0.50% and advances denominated in US dollars bear interest at bank's US base rate. As at March 31, 2025, the Company had not drawn on the credit facility.

Key Factors Impacting Our Performance

We believe that our goal of driving long-term sustainable growth and stakeholder value depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below and in the "Risk Factors" section of the Company's most recent AIF available under our profile on SEDAR+ at www.sedarplus.ca.

Attracting new customers, and having our existing customers renew their subscriptions and purchase additional subscriptions

Our future growth in revenue depends, in part, on our ability to attract new customers. Although the demand for search, recommendations, and generative answering solutions has grown in recent years, the market for these platforms and applications continues to evolve rapidly. While we believe the flexibility and the spectrum of our go-to-market strategy contributes to our ability to attract new customers, our success will depend to a substantial extent on the widespread adoption of our solutions.

Additionally, our future success depends, in part, on our ability to upsell existing use cases, cross-sell new use cases, and ultimately convert existing customers to enterprise-wide subscriptions, as well as our customers renewing their subscriptions when their contract term expires. Our customers generally have no contractual obligation to renew, upgrade, or expand their subscriptions during or after the terms of their existing subscriptions expire. Our customers' retention, renewal, and/or expansion commitments may decline or fluctuate as a result of a number of factors, including, but not limited to, increased competition in the AI space, extraneous factors such as allocation of capital in a challenging macroeconomic environment and, more generally, the effects of global economic conditions, and other factors such as their satisfaction with our solutions, use cases, functionalities, and our customer support or success services, the pricing of our subscriptions or competing solutions, changes in their budgets, changes in our customers' financial conditions, and our customers' intentions to attempt to replace our solutions with internally-built ones. While we believe that the quality and differentiation of our products provides us with an advantage against our competitors, in order for us to maintain or improve our results of operations, it is important that our customers retain, renew, or expand their subscriptions with us. See also *"Our growth depends on our ability to attract new customers and on our existing customers renewing their subscriptions and purchasing additional subscriptions from us"* in the risk factors section of our AIF.

Continue to capture the generative AI opportunity

Generative AI and agentic AI stand as pivotal opportunities and a core focus for Coveo, and our results of operations may be affected by our ability to continue to capture these opportunities in a timely and effective manner. While we believe that our newest AI-Search solutions, including Generative AI solutions, will continue to be market-leading AI solutions for a number of use cases, there is no assurance that we will be able to continue to market and sell such solutions effectively, and that our investments in such solutions will yield the desired benefits. Generative AI, agentic AI and LLMs remain nascent and emerging technologies, and as with any emerging technologies, existing and new competitors are entering the space at a rapid pace, which can increase market awareness but also can sometimes attract unnecessary attention and/or negative or prejudicial press. Our success in continuing to capture the generative AI and agentic AI opportunities will depend in part on our ability to differentiate our offerings from that of existing and new competitors, to successfully position the Company and navigate through the hype in the market surrounding this technology, to adapt our go-to-market strategy when necessary, and to continue to effectively position Coveo as a leader in the space. See also *"We are incorporating artificial intelligence into some of our products. This technology is new and developing, may present both compliance risks and reputational risks, and may require strategic investments"* in the risk factors section of our AIF.

Growth of our commerce solutions

We have invested, and expect to continue to invest, to build a technology that delivers search, recommendations, 1:1 personalization, and generative AI in digital commerce experiences, and that ultimately aims to drive revenue and profitability growth for our customers. Our intention to accelerate the adoption of commerce solutions as one of our core growth strategies exposes us to several risks related to the launch of new solutions or features, and as with our generative AI solutions, the marketability of our commerce solutions could be significantly affected by the perceived value associated with our commerce solution and those of new or existing competing technologies. Additionally, the commerce market is intensely competitive, and we often must prove that the benefits provided by our platform are substantially superior to those of our competitors. If our commerce solutions do not achieve widespread adoption or there is a reduction in demand for such solutions due to a lack of customer acceptance, technological challenges, competing products, privacy concerns, decreases in corporate spending, weakening economic conditions, or otherwise, it could result in decreased revenue growth rates or reduced customer retention rates. See also "*Our growth strategy involves building on the recent momentum of our commerce and generative AI solutions"* in the risk factors section of our AIF.

Maintain and expand platform partnerships

We anticipate that our current operations and the growth of our business will continue to depend partly on third-party relationships, most importantly with our current and prospective strategic partners with whom we maintain and/or seek platform integrations. If any of our strategic partners temporarily or permanently cease operations, face financial distress or other business disruptions, if any of the agreements we have entered into with such strategic partners are terminated or not renewed without adequate transition arrangements, or if any of our strategic partners develop their own AI solutions to replace one or more of the solutions we offer through their platforms, our business, financial condition, and results of operations may be harmed. Our agreements with strategic partners are typically non-exclusive and do not typically prohibit them from working with our competitors or, as discussed above, from offering competing products. These partners may choose to terminate their relationship with us or, as discussed above, make material changes to their businesses, products, or services, each of which could have an adverse effect on our business, financial condition, and results of operations. See also *"Our current operations and growth depend in part on the success of our strategic relationships with third parties, including strategic partners"* in the risk factors section of our AIF.

Macroeconomic, geopolitical and trade environments

Our performance is subject to worldwide economic conditions and global events, including trade, geopolitical, economic, social and environmental risks that may impact our operations or our customers ´operations. Such conditions and events may adversely affect customer confidence, customer spending, customer discretionary income and/or changes in customer purchasing habits. Economic downturns may adversely impact our customers who may decide not to renew their subscription to our services or potential customers who may decide not to subscribe to our services in order to conserve cash. Weakening economic and/or trade conditions and protectionism may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business. A severe or prolonged economic downturn, including a recession or depression, the weakening of trade relations and increased protectionism and anti-globalization sentiment could each materially impact our business, including our revenue. We cannot anticipate the impact of the current economic environment on our business and any of the foregoing could materially harm our business. Nevertheless, if economic and/or trade conditions worsen or a recession occurs, our business, operations and financial results could be materially adversely impacted.

We are in the technology business and our products and services are sold to customers globally. While our products are currently exempt from tariffs, the imposition of tariffs targeting directly or indirectly software or any of our products, and any future escalation in trade barriers more generally, may adversely impact our business and financial condition, increase the cost of our operations and reduce our competitive pricing as a result of cost pass-throughs. These factors may also reduce customer spending, delay project decisions or impact market demand generally. See "The impact of worldwide geopolitical, economic and trade conditions, including inflation, changes to interest rates and trade policies, and the resulting effect on the operations, our spending and consumer spending, may adversely affect our business, operating results and financial condition" in the risk factors of our AIF.

Foreign exchange risk

Our financial results are reported in U.S. dollars and our functional currency is the Canadian dollar. In addition, certain of our subsidiaries have a different functional currency such as, the subsidiaries located in United States (U.S. dollar), United Kingdom (British pound sterling), the Netherlands (Euro) and in Australia (AUD). We derive most of our revenue in U.S. dollars, while a significant portion of our employees are located in Canada. As such, an important portion of our operating expenses are transacted in Canadian dollars. Some portion of our sales and operating expenses are also in currencies other than the U.S. dollar, including primarily Euros, British pounds sterling and Australian dollars. Fluctuations in relative currency values against the U.S. dollar could thus have an impact on our results of operations. See "Our results of operations may be adversely affected by changes in foreign currency exchange rates" in the risk factors of our AIF.

Key Components of Results of Operations

Revenue

SaaS Subscription Revenue. SaaS Subscription Revenue is primarily comprised of fees for the provisioning of the Coveo platform and the related customer support and success plans. SaaS subscriptions are generally sold for a fixed fee and revenue is recognized rateably over the term of the contract as the Company satisfies the performance obligation.

Subject to certain exceptions, our contracts generally have multi-year terms, are subject to renewal at the end of the subscription term, and generally do not provide for a right to terminate the subscription for convenience, other than in accordance with applicable laws. As a result, a significant portion of the SaaS Subscription Revenue that we recognize in each period is attributable to subscriptions entered into during previous periods. The Company generally invoices annually in advance and receives payment from its customers on or around the invoice due date. To the extent we invoice our customers in advance of revenue recognition, we record deferred revenue.

Professional services. Professional services revenue is earned for the implementation and configuration of our platform in connection with SaaS subscriptions. These services are typically time-based arrangements, with revenue recognized as these services are performed. In certain circumstances, we enter into arrangements for professional services on a fixed price basis. In these cases, revenue is recognized by reference to the stage of completion of the contract.

Costs of revenue and operating expenses

SaaS subscription cost of revenue. SaaS subscription cost of revenue includes personnel and overhead costs, including share-based payments and related expenses, associated with our customer success, customer support, and cloud operations teams, and the cost of data hosting services.

Professional services cost of revenue. Professional services cost of revenue consists of personnel, including share-based payments and related expenses, and other overhead costs related to implementation teams supporting initial deployments, training services, and subsequent stand-alone engagements for additional services.

Sales and marketing expenses. Sales and marketing expenses consist of personnel and related costs, including share-based payments and related expenses, for our sales and marketing teams and marketing and partner programs. This includes salaries and benefits, contract acquisition costs (including commissions earned by sales personnel and fees paid to our partners), support and training related to our partner programs, and marketing expenses focused on business development and sales.

Research and product development ("R&D") expenses. R&D expenses consist primarily of personnel and related costs, including share-based payments and related expenses, for the teams responsible for the ongoing research, development, and product management of our solutions. These expenses are recorded net of applicable government assistance.

General and administrative expenses. General and administrative expenses consist of employee expenses, including share-based payments and related expenses, associated with administrative functions of the business, including finance, accounting, legal, administrative, human resources, procurement, information systems, and information technology, as well as professional fees and other corporate expenses.

We expect our cost of revenue to increase in line with revenue growth as we expand our customer base. We intend to continue investing in sales and marketing to capture growth opportunities efficiently, while expanding our R&D and product management teams to drive innovation, particularly in AI-related capabilities. General and administrative expenses are also expected to grow in absolute dollars as we support the scaling of our business. However, over time, we anticipate the operating expenses will decline as a percentage of total revenue as we achieve greater economies of scale.

Results of Operations

The following table sets forth our results of operations:

	Three months ended March 31,		Year ended March 31,	
In thousands of U.S. dollars, except per share data	2025	2024	2025	2024
	$	$	$	$
Revenue				
SaaS subscription	32,616	30,739	126,631	118,581
Coveo core Platform	*31,605*	*28,730*	*121,329*	*109,107*
Qubit Platform	*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)**

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

In thousands of U.S. dollars	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**

Results of Operations for the Three months and Years Ended March 31, 2025 and March 31, 2024

Revenue

In thousands of U.S. dollars	Three months ended March 31,				Year ended March 31,			
	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Revenue								
SaaS subscription	32,616	30,739	1,877	6%	126,631	118,581	8,050	7%
Coveo core Platform	*31,605*	*28,730*	*2,875*	*10%*	*121,329*	*109,107*	*12,222*	*11%*
Qubit Platform	*1,011*	*2,009*	*(998)*	*(50%)*	*5,302*	*9,474*	*(4,172)*	*(44%)*
Professional services	1,734	1,843	(109)	(6%)	6,641	7,513	(872)	(12%)
Total revenue	**34,350**	**32,582**	**1,768**	**5%**	**133,272**	**126,094**	**7,178**	**6%**
Percentage of total revenue:								
SaaS subscription	95%	94%			95%	94%		
Professional services	5%	6%			5%	6%		
Total revenue	**100%**	**100%**			**100%**	**100%**		

SaaS subscription revenue

SaaS subscription revenue increased for the three months and year ended March 31, 2025 due to the continued adoption of our solutions that led to incremental revenue from new customers, as well as expansion transactions that increased our revenue with our existing base of customers. The growth rate of our SaaS subscription revenue was impacted as anticipated by the previously announced customer attrition related to the Qubit Platform. Coveo core Platform SaaS subscription revenue grew by 10% year-over-year for the three months ended March 31, 2025 and by 11% for the year ended the same date, while Qubit Platform SaaS subscription revenue decreased by 50% and 44% year-over-year over the same respective periods.

Professional services revenue

Professional services slightly decreased year-over-year for both the three months and the year ended March 31, 2025. These decreases reflect, in part, the mix of new sales generated during the period and the Company's focus on enabling its partner network to lead customer implementations.

Cost of revenue

	Three months ended March 31,				Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Cost of revenue								
SaaS subscription	5,862	5,551	311	6%	22,969	21,733	1,236	6%
Professional services	1,385	1,448	(63)	(4%)	5,424	5,915	(491)	(8%)
Total cost of revenue	**7,247**	**6,999**	**248**	**4%**	**28,393**	**27,648**	**745**	**3%**
Gross margin								
SaaS subscription	82%	82%			82%	82%		
Professional services	20%	21%			18%	21%		
Gross margin	**79%**	**79%**			**79%**	**78%**		

SaaS subscription

SaaS subscription cost of revenue for the three months and year ended March 31, 2025 increased mainly due to additional hosting expenses and increase in labor costs related to the growth of our customer base, slightly offset by a reduction in share-based payments and related expenses.

Our SaaS subscription gross margin was consistent with the prior periods at 82%, for both the three months and the year ended March 31, 2025.

Professional services

For the three months ended March 31, 2025, professional services cost of revenue decreased on a year-over-year basis for both the three months and the year ended March 31, 2025. These decreases are in line with the decrease in professional services revenue explained above.

The professional services gross margin, as a percentage of professional services revenue, decreased for the three months and year ended March 31, 2025, compared to the same period last year. As we continue to invest in early deployment of new product innovation and in partners success, we expect our professional services gross margin to continue to decrease.

Operating expenses

Sales and marketing expenses

In thousands of U.S. dollars	Three months ended March 31,				Nine months ended March 31,			
	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Sales and marketing	15,734	13,953	1,781	13%	59,615	55,099	4,516	8%
Percentage of total revenue	46%	43%			45%	44%		

Sales and marketing expenses increased for both the three months and year ended March 31, 2025, compared to the same period last year. For the three months ended March 31, 2025, the increase was primarily attributable to an additional $1.1 million in labor expenses. This increase reflects continued strategic investments in our go-to-market initiatives, with a specific focus on expanding the sales team. It also includes severance-related costs incurred as part of our ongoing talent optimization efforts. In addition, the increase in sales and marketing expense also included $0.3 million in higher travel expenses and $0.3 million in increased share-based payments and related expenses.

For the year ended March 31, 2025, the increase in sales and marketing expenses was primarily driven by higher share-based payments and related expenses, largely due to a $1.2 million expense reversal recognized in the prior year following the departure of a member of our senior management team, which reduced the comparative expense. The increase also included $1.2 million in higher labor expenses and recruiting fees, $1.1 million in additional marketing programs expenses, and $0.8 million in increased travel expenses.

Additionally, for the quarter and the year ended March 31, 2025 our sales and marketing expenses were favorably impacted by the strengthening of the U.S. dollar compared to the Canadian dollar.

Research and product development expenses

In thousands of U.S. dollars	Three months ended March 31,				Year ended March 31,			
	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Research and product development	8,537	8,769	(232)	(3%)	35,904	35,804	100	-%
Percentage of total revenue	25%	27%			27%	28%		

For the three months and the year ended March 31, 2025, R&D expenses remained generally in line with the prior comparative period.

Coveo received government assistance, through the Strategic Innovation Fund ("SIF"), for the three months and year ended March 31, 2025 and also received contribution for its participation in the SCALE AI – Canadian Artificial Intelligence Supercluster program ("SCALE AI") for the three months and years ended March 31, 2025 and 2024.

Additionally, our R&D expenses were favorably impacted by the strengthening of the U.S. dollar compared to the Canadian dollar.

General and administrative expenses

	Three months ended March 31,				Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
General and administrative	5,819	6,596	(777)	(12%)	25,424	26,628	(1,204)	(5%)
Percentage of total revenue	17%	20%			19%	21%		

General and administrative expenses decreased for the three months and year ended March 31, 2025. The decline was mainly driven by lower labor costs of $0.9 million and $1.5 million, respectively. This reduction in expenses reflects enhanced operational efficiency, as well as the favorable impact of the appreciation of the U.S. dollar relative to the Canadian dollar. Furthermore, share-based payments and related expenses decreased by $0.2 million and $0.4 million for the three months and the year ended March 31, 2025. The contraction in expenses was partially offset by higher consulting fees of $0.3 million and $0.5 million, respectively.

Other operating expenses

	Three months ended March 31,				Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Depreciation of property and equipment	582	616	(34)	(6%)	2,567	2,393	174	7%
Amortization and impairment of intangible assets	3,612	729	2,883	395%	5,817	6,655	(838)	(13%)
Depreciation of right-of-use assets	381	384	(3)	(1%)	1,472	1,566	(94)	(6%)
	4,575	1,729	2,846	165%	9,856	10,614	(758)	(7%)

Depreciation of property and equipment for the three months and year ended March 31, 2025 was mainly in-line with the three months and year ended March 31, 2024.

During the year ended March 31, 2024, following customer attrition experienced as a result of the Company's decision to decrease investment in certain acquired product capabilities of Qubit, the Company reassessed the value of its customer relationships acquired through the business combination with Qubit. The Company then determined a decline in the value of these intangible assets, resulting in an impairment loss of $3.2 million.

During the quarter ended March 2025, as part of our strategic decision to concentrate R&D and sales and marketing efforts on our Coveo core Platform, the Company took the additional step of fully deprecating the Qubit Platform. As part of this decision, the Company reassessed the value of its customer relationships associated with the business combination, leading to a second impairment loss of $2.9 million.

Depreciation of right-of-use assets for the three months and year ended March 31, 2025 was mainly in-line with the three months and year ended March 31, 2024.

Other expenses

	Three months ended March 31,				Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Net financial revenue	(1,023)	(1,704)	681	(40%)	(5,063)	(6,674)	1,611	(24%)
Foreign exchange loss (gain)	278	(1,006)	1,284	(128%)	(5,526)	321	(5,847)	(1821%)
Income tax expense (recovery)	(501)	1,296	(1,797)	(139%)	(1,578)	264	(1,842)	(698%)

Net financial revenue for the three months and year ended March 31, 2025 decreased as compared to the three months and year ended March 31, 2024, mainly driven by a decrease in interest revenue due to lower levels of cash and cash equivalents, as a result of the Company's share buyback programs and lower interest rates.

Foreign exchange loss (gain) results from transactions denominated in currencies other than the functional currencies and translated into the relevant functional currency. The foreign exchange loss or gain are mainly driven by the operations denominated in U.S. dollars in entities using the Canadian dollar as its functional currency. The loss for the three months ended March 31, 2025 and the gain for the year ended at the same date were primarily driven by the cash and cash equivalent held in U.S. dollars in entities using the Canadian dollars as its functional currency due to the volatility of the U.S. dollar against the Canadian dollar.

For the three months and the year ended March 31, 2025, income tax recovery was primarily due to the recognition of previously unrecognized deferred tax assets on certain non-capital losses.

Net loss

	Three months ended March 31,				Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change		2025	2024	Change	
	$	$	$	%	$	$	$	%
Net loss	(6,316)	(4,050)	(2,266)	56%	(13,753)	(23,610)	9,857	(42%)

The increase in net loss for the three months ended March 31, 2025 was mainly driven by a decrease in foreign exchange gain and net financial revenue as well as an increase in operating expenses mainly driven by an impairment of intangible assets as discussed above. This increase in net loss was partially offset by an increase in gross profit and income tax recovery.

For the year ended March 31, 2025, the decrease in net loss was mainly driven by an increase in SaaS subscription revenue, the foreign exchange gain and the income tax recovery, partially offset by increase in costs of revenue and operating expenses as well as a decrease in net financial revenue.

Selected Annual Information

	As of and for the year ended March 31,		
In thousands of U.S. dollars	2025	2024	2023
	$	$	$
Total revenue	133,272	126,094	112,002
Net loss	(13,753)	(23,610)	(39,732)
Net loss per share – basic and diluted	(0.14)	(0.23)	(0.38)
Total assets	230,359	275,885	308,818
Non-current liabilities	5,464	8,656	11,661
Total liabilities	103,452	97,362	90,285

Total assets

As of March 31, 2025, total assets decreased primarily due to a reduction in cash and cash equivalents of $41.8 million, as further explained in the "Liquidity and Capital Resources" section below. Additionally, non-current assets declined by $7.8 million, largely due to depreciation, amortization and impairment recognized during the fiscal year. Government assistance decreased by $3.7 million, primarily due to the timing of collection of certain subsidies. These declines were partially offset by a $6.6 million increase in trade and other receivables, result of the continued growth.

Total liabilities

The increase in total liabilities was primarily driven by a $12.7 million rise in deferred revenue. This was partially offset by a $3.2 million decrease in trade payables and accrued liabilities, a $1.8 million reduction in deferred tax liabilities, and a $1.4 million decrease in lease obligations.

Quarterly Results of Operations

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters immediately preceding and including the quarter ended March 31, 2025. The information for each of these quarters has been prepared on the same basis as the consolidated annual financial statements and the unaudited condensed interim consolidated financial statements. This data should be read in conjunction with our audited consolidated financial statements, and the unaudited condensed interim consolidated financial statements, and related notes. These quarterly operating results are not necessarily indicative of our operating results for a full-year or any future period.

In thousands of U.S. dollars, except per share data	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
	$	$	$	$	$	$	$	$
Revenue								
SaaS subscription	32,616	32,284	31,174	30,557	30,739	29,901	29,406	28,535
Professional services	1,734	1,681	1,566	1,660	1,843	1,860	1,813	1,997
Total revenue	**34,350**	**33,965**	**32,740**	**32,217**	**32,582**	**31,761**	**31,219**	**30,532**
Cost of revenue								
Product	5,862	5,932	5,558	5,617	5,551	5,731	5,323	5,128
Professional services	1,385	1,410	1,275	1,354	1,448	1,439	1,484	1,544
Total cost of revenue	**7,247**	**7,342**	**6,833**	**6,971**	**6,999**	**7,170**	**6,807**	**6,672**
Gross profit	**27,103**	**26,623**	**25,907**	**25,246**	**25,583**	**24,591**	**24,412**	**23,860**
Operating expenses								
Sales and marketing	15,734	15,282	14,072	14,527	13,953	13,788	13,898	13,460
Research and product development	8,537	8,322	8,648	10,397	8,769	9,153	8,700	9,182
General and administrative	5,819	6,709	6,233	6,663	6,596	6,409	6,814	6,809
Depreciation of property and equipment	582	610	628	747	616	605	595	577
Amortization and impairment of intangible assets	3,612	743	737	725	729	721	4,199	1,006
Depreciation of right-of-use assets	381	355	358	378	384	383	404	395
Total operating expenses	**34,665**	**32,021**	**30,676**	**33,437**	**31,047**	**31,059**	**34,610**	**31,429**
Operating loss	**(7,562)**	**(5,398)**	**(4,769)**	**(8,191)**	**(5,464)**	**(6,468)**	**(10,198)**	**(7,569)**
Net financial revenue	(1,023)	(1,052)	(1,262)	(1,726)	(1,704)	(1,663)	(1,630)	(1,677)
Foreign exchange loss (gain)	278	(6,546)	1,723	(981)	(1,006)	1,583	(1,260)	1,004
Loss before income tax expense (recovery)	**(6,817)**	**2,200**	**(5,230)**	**(5,484)**	**(2,754)**	**(6,388)**	**(7,308)**	**(6,896)**
Income tax expense (recovery)	(501)	(1,844)	147	620	1,296	(236)	(855)	59
Net income (loss)	**(6,316)**	**4,044**	**(5,377)**	**(6,104)**	**(4,050)**	**(6,152)**	**(6,453)**	**(6,955)**
Net income (loss) per share – Basic and diluted	**(0.07)**	**0.04**	**(0.05)**	**(0.06)**	**(0.04)**	**(0.06)**	**(0.06)**	**(0.07)**

Revenue

Our SaaS subscription revenue has been generally growing over the past eight quarters. SaaS subscription revenue growth was impacted by customer attrition related to the Company's decision to initially decrease investment in, and subsequently to deprecate, the Qubit Platform. Excluding the effect of this attrition, SaaS subscription revenue from the Coveo core Platform grew in every quarter.

The growth in SaaS subscription revenue was driven by the addition of new customers as well as increased usage of our platform by existing customers through our continued efforts to cross-sell and upsell our solutions. Our SaaS subscription revenue is recognized over time on a daily basis. Therefore, our product revenue for the quarters ended March 31 is impacted by a lower number of days as compared to other quarters.

Professional services revenue has slightly decreased as a percentage of total revenue but has stabilized over the most recent quarters. This reflects a greater reliance on partners and customers to lead implementations, reducing the need for direct involvement from our professional services team.

Cost of revenue

Total cost of revenue has generally increased over time primarily due to costs related to supporting a greater number of customers including the headcount additions to our customer success and customer support teams. Historically, we have experienced a reduction in cost of revenue each year in the quarter ended September 30 due to accrued vacations taken during the summer period, which reduces our labor costs compared to other quarters. This decrease was offset by an increase in hosting and licenses costs for the quarter ended September 30, 2023.

Gross profit

Except for the quarter ended June 30,2024, our gross profit has increased sequentially for all periods presented, primarily due to increased SaaS subscription revenue and a stable total cost of revenue as a percentage of total revenue. The decrease in the quarter ended June 30, 2024 was driven by the attrition of Qubit Platform customers as more fully discussed hereinabove. Our gross profit as a percentage of total revenue remained relatively consistent over the past eight quarters.

Operating expenses

Sales and marketing expenses increased in the fiscal year 2025 quarters compared to the same periods in fiscal year 2024, reflecting stronger sales performance and continued investments in the restructuring and expansion of our sales team, as well as increased spending on marketing programs.

Research and development expenses have followed a general downward trend over the past eight quarters. This decrease is primarily attributable to higher levels of government assistance, as well as a reduction in share-based compensation, which collectively offset the impact of increased labor costs. Notably, expenses were higher in the quarter ended June 30, 2024, driven by lower government assistance as compared to other quarters. Within the government assistance programs, the company has received contributions for three larger projects, one that covered the period from the quarter ended March 31, 2023 through the quarter ended March 31, 2024 (Scale AI), a second one that commenced in the quarter ended September 30, 2024 and is expected to last three years (SIF) and another one that commenced in the quarter ended March 31, 2025 and is expected to end in the quarter ending December 31, 2026 (Scale AI).

General and administrative expenses remained relatively stable over the past eight quarters, with a slight decrease observed in the most recent quarter.

The increase in amortization and impairment of intangible assets in the quarters ended March 31, 2025 and September 30, 2023 was primarily driven by impairments of intangible assets of $2.9 million and $3.2 million, respectively, both related to Qubit customer relationships, as more fully discussed hereinabove.

Historically, we have experienced a reduction in operating expenses each year in the quarter ended September 30 due to accrued vacations taken during the summer period, which reduces our labor costs compared to other quarters. Moreover, the quarters ended March 31 include additional costs related to social benefits as compared to other quarters due to the reset, at the beginning of each calendar year, of the social benefits that are limited to an annual maximum contribution. The costs related to these additional social benefits therefore is greater when compared to the prior quarters ending December 31.

Additionally, from the quarter ended December 31, 2024, our operating results were favorably impacted by the strengthening of the U.S. dollar compared to the Canadian dollar.

Other expenses

Net financial revenue declined over the past eight quarters, primarily due to lower interest income resulting from a decrease in cash and cash equivalents, which was largely driven by the company's share repurchase activities and decrease in interest rates.

Foreign exchange loss (gain) results from transactions denominated in currencies other than the functional currencies and translated into the relevant functional currency. The foreign exchange gain for the quarter ended December 31, 2024, was higher due to a significant fluctuation in the exchange rate between the Canadian dollar relative to the U.S. dollar.

See "Results of Operations" in this MD&A for a more detailed discussion of the year-over-year changes in revenue, cost of revenue, and operating expenses.

Liquidity and Capital Resources

Overview

The general objectives of our capital management strategy are to support our continued organic growth while preserving our capacity to continue our operations, to provide benefits to our stakeholders, and to provide an adequate return on investment to our shareholders through selling our services at prices commensurate with the level of operating risk assumed by us.

We define the Company's objectives and determine the amount of capital required consistent with risk levels. This capital structure is continually adjusted depending on changes in the macroeconomic environment and risks of the underlying assets.

Cash flows

The following table presents cash and cash equivalents and cash flows from operating, investing, and financing activities:

	Year ended March 31,			
In thousands of U.S. dollars	2025	2024	Change	
	$	$	$	%
Cash and cash equivalents – end of period	124,752	166,586	(41,834)	(25%)
Net cash flows generated from (used in)				
Operating activities	11,068	4,200	6,868	164%
Investing activities	(1,530)	(1,121)	(409)	36%
Financing activities	(50,814)	(35,591)	(15,223)	43%
Effect of foreign exchange rate changes on cash and cash equivalents	(558)	646	(1,204)	(186%)
Net increase in cash and cash equivalents	**(41,834)**	**(31,866)**	**(9,968)**	**31%**

Operating activities

For the year ended March 31, 2025, the Company generated an additional $6.3 million cash flows, primarily driven by a reduction of net loss net of items not affecting cash, along with an increase of $0.5 million generated from changes in non-cash working capital items.

Investing activities

Cash flows used in investing activities for the year ended March 31, 2025 were higher than the year ended March 31, 2024, mainly driven by additional investments in property and equipment.

Financing activities

The increase in cash flows used in financing activities for the year ended March 31, 2025 as compared to the year ended March 31, 2024 was mainly driven by an increase of $12.7 million in shares and stock options repurchased and cancelled in regards to the SIB and NCIB in place in both periods.

Working capital

Our approach to managing liquidity is to ensure, to the extent possible, that we have sufficient liquidity to meet our liabilities as they become due. We do so by monitoring cash flows and performing budget-to-actual analysis on a regular basis. In addition to cash and cash equivalents, and as mentioned above, we have an up to $60 million revolving committed credit facility available that can be drawn to meet ongoing working capital requirements. Our principal cash requirements are for investments in our customer acquisition costs, product and technology, working capital, and select acquisitions and other value-add transactions we may execute. Additionally, a portion of our excess cash has been allocated to the repurchase of shares under our two substantial issuer bids and our normal course issuer bid (as renewed). Given our cash and cash equivalents balance, our unused credit facility and our cash flows generated from operating activities for the year ended March 31, 2025, we believe we have sufficient liquidity to meet our current and short-term financial obligations. This assessment is a forward-looking statement and involves risks and uncertainties. Our future capital requirements will depend on many factors, including our revenue growth rate, new customer acquisition, expansion, and subscription renewal activity, timing of billing and collecting activities, the timing and extent of spending to support further sales and marketing and research and development efforts, including in respect of new generative AI solutions, general and administrative expenses to support our growth, including international expansion, and the macroeconomic environment. See "Risk Factors" in our latest AIF available under our profile on SEDAR+ at www.sedarplus.ca. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, or enter into arrangements for other value-add transactions. We may be required to seek additional equity or debt financing to fund these activities. If we are unable to raise additional capital when desired, or on acceptable terms, our business, results of operations, and financial condition could be materially adversely affected. Please refer to a summary of our contractual obligations as documented further below in this MD&A.

Contractual Obligations and Financial Instruments

Contractual obligations and capital resources

The Company has the following minimum aggregate commitments and contractual obligations as of March 31, 2025:

	Contractual undiscounted cash flows due by period			
In thousands of U.S. dollars	**Less than a year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Commitments				
Hosting and license agreements	12,377	36,707	-	49,084
Other commitments	1,267	3,607	375	5,249
Contractual obligations				
Trade payable and accrued liabilities	18,602	-	-	18,602
Lease obligations	2,294	5,933	-	8,227

Financial instruments

Our financial assets include cash and cash equivalents and trade and other receivables that are classified as financial assets at amortized cost. Our financial liabilities include trade payable and accrued liabilities and accrued liability for shares to be repurchased under automatic securities purchase plan. Refer to note 24 to the audited annual consolidated financial statements for the year ended March 31, 2025.

Off-Balance Sheet Arrangements

In December 2024, the Company entered into a lease agreement for its office space located in Quebec City, with an expected commencement in September 2025. As of the reporting date, the lease has not yet commenced and is not reflected on the balance sheet in accordance with IFRS 16. The estimated total lease obligation is $4.4 million over a term of 5 years and is included in our commitments above. We have no other off-balance sheet arrangements. From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Transactions Between Related Parties

See note 22 to the audited annual consolidated financial statements for the year ended March 31, 2025 for the Company's related party transactions.

Significant Accounting Judgments, Estimates, and Assumptions

See note 4 and note 20 to the audited annual consolidated financial statements for the year ended March 31, 2025.

Future Accounting Standard Changes

See note 3 to the audited annual consolidated financial statements for the year ended March 31, 2025, the International Accounting Standards Board has issued IFRS 18 Presentation and Disclosure in Financial Statements which includes requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income, and expenses. The new IFRS 18 standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

The IASB also issued amendments to IFRS 9, "Financial Instruments", and IFRS 7, "Financial Instruments: Disclosures", to clarify the classification and measurement of some financial instruments and provide guidance for assessing whether a financial asset meets the criteria of solely payments of principal and interest. The amendments also introduce updates and new disclosure requirements on certain financial instruments. The Company is currently evaluating the impact of adopting the amendments to IFRS 9 and IFRS 7, which will be applicable for fiscal years beginning on or after January 1, 2026.

Controls and Procedures

Disclosure controls and procedures

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining our disclosure controls and procedures. We maintain a set of disclosure controls and procedures designed to provide reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized, and reported on a timely basis. Our CEO and CFO have evaluated the design and effectiveness of our disclosure controls and procedures at the end of the quarter and based on the evaluation have concluded that the disclosure controls and procedures are effectively designed.

Internal controls over financial reporting

Our internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. Our management is responsible for establishing and maintaining adequate ICFR. Management, including our CEO and CFO, does not expect that our ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation.

National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators requires our CEO and CFO to certify that they are responsible for establishing and maintaining ICFR and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. Our CEO and CFO are also responsible for disclosing any changes to our internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The CEO and the CFO have evaluated, or caused to be evaluated under their supervision, the design and effectiveness of our ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. As at March 31, 2025, the CEO and the CFO concluded that our ICFR is appropriately designed and effective and there is no material weaknesses that have been identified.

Outstanding Share Information

Coveo is a publicly traded company listed under the symbol "CVO" on the Toronto Stock Exchange. Our authorized share capital consists of (i) an unlimited number of subordinate voting shares, (ii) an unlimited number of multiple voting shares and (iii) an unlimited number of preferred shares, of which 52,870,524 subordinate voting shares, 43,310,544 multiple voting shares, and no preferred shares were issued and outstanding as of May 15, 2025.

As of May 15, 2025, there were 4,613,703 stock options outstanding under the Company's Amended and Restated 2009 Stock Option Plan (the "Legacy Plan"), as amended (of which 4,596,189 were vested as of such date). Each such option under the Legacy Plan is or will become exercisable for one multiple voting share.

As of May 15, 2025, there were 4,211,614 stock options issued and outstanding under the Company's Omnibus Incentive Plan (as amended from time to time, the "Omnibus Plan") (of which 526,221 were vested as of such date). Each such option under the Omnibus Plan is or will become exercisable for one subordinate voting share. This amount includes performance stock options ("PSOs") issued with potential vesting from 0% to 100% of the amount granted. All PSOs based on the level of achievement of a pre-determined non-market performance measurement at the first anniversary of the grant date were adjusted for their actual performance achievement and none of them are subject to future performance measurement. As of the date thereof, 3,300,000 PSOs based on the level of achievement of pre-determined market conditions are subject to future performance measurement.

As of May 15, 2025, there were 4,461,280 restricted share units ("RSUs") (of which 1,586,444 were vested as of such date) and 916,758 performance share units ("PSUs") (of which 263,103 were vested as of such date) issued and outstanding under the Company's Omnibus Plan. Each such vested RSU and PSU is settled at the earliest of (i) the date a formal early settlement request is accepted by the Company, and (ii) the expiry date of such RSU and PSU, and is settled at the discretion of the Board of Directors through the delivery of subordinate voting shares issued from treasury or purchased on the open market, the payment of the cash equivalent or a combination thereof. The number of PSUs that will actually vest varies from 0% to 150% of the target amount granted, based on the level of achievement of a pre-determined non-market performance measurement at the first anniversary of the grant date. As of the date thereof, no PSUs are subject to future performance measurement, as the performance for all PSUs issued during the fiscal year ended March 31, 2025 was measured and approved by our board of directors on May 15, 2025 (the "Performance Measurement"). Pursuant to the Performance Measurement, 96,275 PSUs will be cancelled once the Company is out of its quarterly black-out under the terms of its Trading Policy.

As of May 15, 2025, there were 731,383 deferred share units ("DSUs") outstanding under the Company's Omnibus Plan. Each such DSU will, upon the holder thereof ceasing to be a director, executive officer, employee, or consultant of the Company, in accordance with the Omnibus Plan, be settled at the discretion of the Board of Directors through the delivery of subordinate voting shares issued from treasury or purchased on the open market, the payment of the cash equivalent or a combination thereof.

Additional Information

Additional information relating to the Company, including the Company's AIF, is available under our profile on SEDAR+ at www.sedarplus.ca.

Investor Information

Coveo shares

Coveo's subordinate voting shares are traded on the Toronto Stock Exchange (TSX) under the symbol "CVO".

Investor relations

Quarterly and annual reports and other corporate documents are available at **ir.coveo.com** and under our profile on SEDAR+ at **sedarplus.com**.

Transfer agent and registrar

TSX Trust Company
1600-2001 Robert-Bourassa
Montréal, QC, H3A 2A6
tsxtrust.com

Auditor

PricewaterhouseCoopers LLP
Chartered Professional Accountants
Montreal, QC

Corporate information

The following documents pertaining to Coveo's corporate governance practices may be accessed at Coveo's investor relations website (**ir.coveo.com**) or by request at **legal@coveo.com**:

- Board and Board Committee charters
- Position description for the Board Chair, the Committee Chairs, and the Chief Executive Officer
- Code of business conduct
- Whistleblower and diversity policies
- Coveo's constating documents
- Modern Slavery Report

Board members	Board	Audit Committee	Compensation Committee	Risk and Governance Committee
Louis Têtu Executive Chairman	C			
Laurent Simoneau Chief Executive Officer	M			
J. Alberto Yepez Lead Independent Director	M		C	M
Shanti Ariker Director	M	M		M
Gillian Denham Director	M	M	M	
Fay Sien Goon Director	M	C		
Isaac Kim Director	M			
Valéry Zamuner Director	M		M	C

C — Board/Committee Chair   M — Board/Committee Member

2025 Annual Shareholders Meeting

The Annual Shareholders Meeting will be held on Thursday, September 11, 2025.

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The AI-Relevance Company

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