

ASX Announcement
30 August 2018

Knosys reports profitable 2nd half and 225% increase in full year revenue

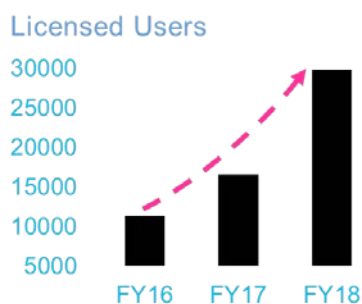
Knosys Limited (ASX: KNO) (Knosys or Company) released its full year results to ASX today and is pleased to announce a profitable result for the second half of the 2018 financial year and a 225% increase in revenue for the full financial year.

Full details of the Company's performance and financial position for the year ended 30 June 2018 are contained in the 2018 Annual Report lodged with ASX today. A summary of the results for each half of the 2018 financial year and for the year in total is as follows:

	FY 2018	FY 2017	change
Revenue from operations			
December half year	\$0.56m	\$0.41m	38%
June half year	\$2.06m	\$0.40m	413%
Revenue from operations for full year	<u>\$2.62m</u>	<u>\$0.81m</u>	225%
Net Profit / (Loss)			
December half year (loss)	(\$1.12m)	(\$1.36m)	18%
June half year profit (loss)	\$0.31m	(\$0.73m)	142%
Net (Loss) for full year	<u>(\$0.81m)</u>	<u>(\$2.09m)</u>	61%

CEO John Thompson said, "The 2018 financial year has been very positive for Knosys with excellent revenue growth. Licence fee growth and project implementation revenues in the second half of the year led to our first profitable half year since the formation of the group and our listing on ASX in 2015. I am very pleased with the achievements of the Company and our team."

Key financial and business metrics have been significantly improved in line with the Board's plans. The Company had net assets of \$1.8m at 30 June 2018 and cash on hand of \$1.1m and the licensed user base of the Knosys product increasing by 80+% to over 29,900 by the end of 2018, with the commencement of invoicing of monthly licence fees for the new Optus contract.



“The financial position of the business improved strongly during 2018 and, with the completion of the non-renounceable rights issue in August, we now have a cash balance in excess of \$3m.” stated Mr Thompson, “Our recurring revenues are now tracking at over \$200,000 per month and this, together with our cash position means we are really well placed to pursue our goals for this coming year.”

With the continued expansion of the market and the adoption of knowledge management and business process technology across many industries, Knosys is well placed to expand its customer base and add to its offerings through internal developments and acquisition of technologies. Whilst sales and marketing efforts are focused on direct initiatives, Knosys is also planning further developments that will allow greater partnership opportunities with global software vendors to address local and international opportunities going forward.

Following the successful capital raising which concluded in early August, Knosys intends to progressively increase investment in its sales, marketing, product development and customer success teams in order to drive APAC customer and revenue growth. The intention is to exploit the recent Singtel and Optus contract success by recruiting additional business development and marketing employees. These additional employees will focus primarily on making sales of the Company’s leading software platform, KnowledgeIQ.

The Company also intends to commence a broader digital marketing campaign and sponsorship of industry conferences to build brand awareness of Knosys. Growth aspirations include the intention to expand further into Singapore with the opening of a local office to facilitate better engagement with customers, prospects and partners, with a view to growing Company’s sales footprint in the APAC region. The Company also intends to continue to invest in ongoing product development and innovation, focusing on integrations and enhancements to simplify usage and drive adoption of KnowledgeIQ.

ABOUT KNOSYS

The Knosys KnowledgeIQ platform is an enterprise-grade, knowledge management solution that enables companies through a machine learning approach to discover and deliver personalised information to staff and customers to transform productivity and engagement.

The solution is designed to be the #1 used app in the life of an information worker being available on their desktop, tablet or smartphone. It drives productivity and optimizes processes by incorporating process wizards, decision guidance, collaboration & feedback while at the same time learning based on user behaviors, patterns and profiles. It also acts as the single knowledge hub from which all digital engagement solutions such as chatbots, web sites, self-service kiosks can consume relevant information interact with end customers in a consistent manner.

For more information please visit: www.knosys.it

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