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ASX Announcement
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SOLID 1HY 2019 RESULTS PREPARE KNOSYS FOR REVENUE DIVERSIFICATION

Knosys Limited (ASX: KNO) is pleased to report its first half 2019 financial results. Revenue increased by 179% on the previous corresponding period to \$1.57 million. This revenue growth was driven by new customer contracts with Singtel, Optus and SBS Bank, which were implemented in the 2018 calendar year. The total user license count at December 2018 was over 38,500, up 115% from December 2017.

In August 2018, Knosys completed a \$2.4 million capital raising and the funds were used to invest in sales, marketing and product development in order to lay the foundation for the next phase of growth. Accordingly, there was a substantial increase in marketing costs in the first half of 2019, to \$150K, up from \$23K in the previous corresponding period. The net loss after tax improved by 45% to \$613K, compared to a \$1.1 million loss in the previous corresponding period.

Knosys is now well positioned to capitalise on opportunities for revenue diversification through new products and new target markets throughout the Asia Pacific region. Knosys is on track to launch its cloud strategy for KnowledgeIQ in late March 2019, which will enable the Company to expand its offering beyond its existing Enterprise customer base to mid-tier organisations. This shift in target market is expected to shorten the average sales cycle and smooth the revenue stream.

The attainment of Microsoft Cloud Gold Partner status is an important milestone and will open up a second sales channel through co-selling with Microsoft, in addition to the Enterprise direct sales channel. Knosys will be able to leverage the established Microsoft ecosystem to expand sales opportunities for the cloud version of KnowledgeIQ in mid-tier companies.

“We view the upcoming launch of the Knowledge IQ cloud product, together with our Microsoft Gold Partner status and the opening of our Singapore office, as being potentially transformative for Knosys, opening up new sales opportunities in Australia and the APAC region,” says Knosys CEO, John Thompson.

Knosys continues to explore and review potential acquisition opportunities which could complement the current business offering through automated business processes, the management of information governance, enhanced customer experience through analytics or the geographic diversification of revenues.

ABOUT KNOSYS

Knosys is a successful, fast-growing Australian technology company that is digitising enterprise knowledge to improve productivity of employees and drive customer experience. The Knosys Knowledge/Q platform is an enterprise-grade, knowledge management solution that enables companies through a machine learning approach to discover and deliver personalised information plus answers to staff and customers to transform productivity and improve customer experience.

For more information please visit: www.knosys.it

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