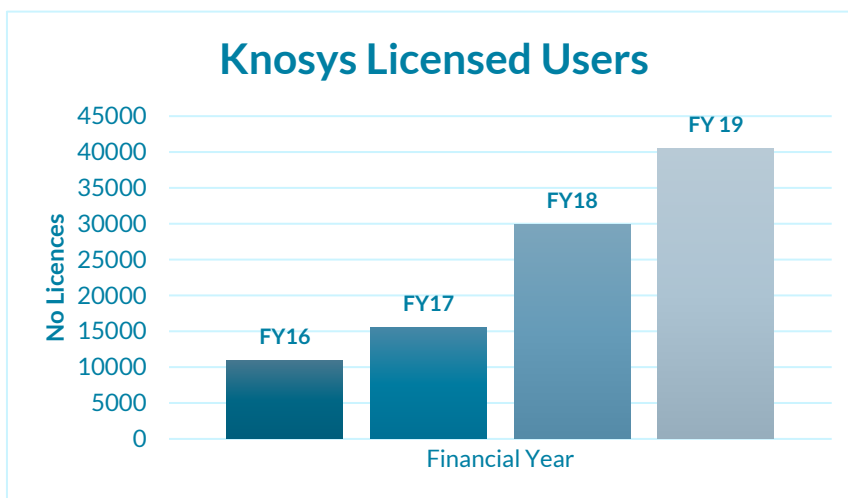
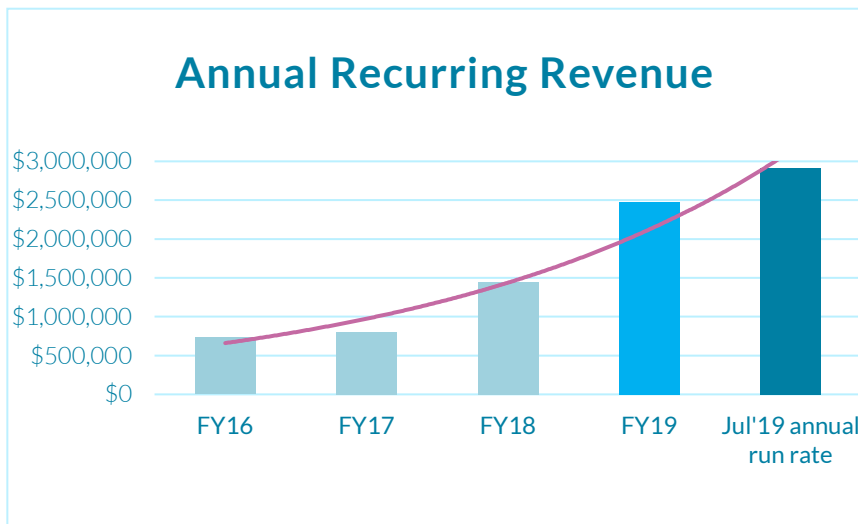


**ASX Announcement**  
28 August 2019

## FY19 RESULTS SHOW INCREASE IN RECURRING REVENUE AND IMPROVED PERFORMANCE

### FY19 HIGHLIGHTS

- **Increase in total revenue:** Total operating revenue increased by 11% to \$2.9 million.
- **Increase in recurring revenue base:** Recurring revenue increased by 71% to \$2.5 million.
- **Increase in licensed user base:** The licensed user base increased by 35% to over 40,430.
- **Improved performance:** NPAT loss improved by 4% to \$0.77 million, down from \$0.81 million loss in FY18.
- **Reduced operating cash outflow:** The net cash used in operating activities improved by 72%, decreasing to \$441K in FY19, down from \$1.6 million in FY18.
- **Healthy cash balance:** Cash balance of \$2.9 million at 30 June 2019. Increased to \$4.1 million by 31 July 2019.
- **Investment in future growth:** Significant progress made on the strategic objectives to diversify revenue through new product development, new channel partnerships and geographic expansion.



**Knosys Limited (ASX: KNO)** is pleased to report its full year 2019 financial results. The 2019 financial year has been another positive year for Knosys with improvement in all of the Company's key financial metrics.

Total operating revenue increased by 11% to \$2.9 million, up from \$2.6 million in FY18. Recurring revenues increased by 71% to \$2.5 million, up from \$1.45 million in FY18. Over the past year, the licensed user base increased by 35% to over 40,430. This positions the Company well for further revenue growth in FY20.

The operating performance improved in FY19 with a 4% decrease in the NPAT loss to \$0.77 million, down from \$0.81 million loss in FY18. In August 2018, Knosys completed the capital raise of \$4 million and these funds were used to invest in its sales, marketing, product development and customer success teams. This investment in growth will continue.

The operating cash outflow reduced significantly in FY19, improving by 72% to \$441K, down from \$1.6 million in FY18. The total cash balance reported as at the end of financial year 2019 was \$2.9 million, increasing to \$4.1 million as at 31 July 2019. Knosys is now well funded to pursue its growth initiatives.

Over the past year, Knosys implemented several key growth initiatives which position the Company well for future growth in FY20 and beyond. In FY19, Knosys attained Microsoft Gold Partner status, launched the new KIQ Cloud and opened a new office in Singapore.

The Company believes that FY20 will bring the following:

- Continued growth in the recurring revenue base through new customers and an increase in user numbers;
- Diversification of the customer base into new market sectors including energy and public service organisations;
- Increased customer adoption of the new KIQ cloud products and services;
- Organic growth in revenues from existing customers; and
- Improved operating leverage through revenue growth and a stable cost base leading toward operating EBITDA profitability.

In addition, the Company will continue to look at synergist acquisitions to expand its solution portfolio with related cloud services focused on engagement, risk and information management.

Knosys CEO John Thompson said, "We have strong momentum heading into FY20 and our business is very well positioned to keep growing our recurring revenue base through product and geographic diversification."

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## ABOUT KNOSYS

Knosys is a fast-growing Australian cloud software company that is simplifying enterprise knowledge to improve the productivity of employees and improve customer experience. Our KIQ Cloud service is the knowledge management platform transforming the digital workplace by ensuring all forms of knowledge are accurate, relevant to the user, compliant and easy to find. The KIQ Cloud knowledge management platform is intuitive and does the hard work. It uses the knowledge of real experts and the analytic power of machine learning to organise and share information for greater productivity. It is an organisation-wide solution for all industries, trusted by businesses and enterprises in the banking, telecommunications and government sectors.

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