

ASX Announcement

29 April 2025

Q3 FY25 Activity Report and Appendix 4C

Key Highlights:

- **Strong cash receipts of \$3.2m** reflecting both organic growth on the prior corresponding period (pcp) and a seasonal uplift from annual license payments by large enterprise clients
- **Record Annual Recurring Revenue run rate (ARR) of \$9.8m** driven by a combination of contract renewals, high client retention, and continued new customer wins
- Reflecting Knosys' priority for investment in its library technology solutions :
 - **Launch of new Libero library app**, The app enhances and extends library member engagement and experience beyond the library, providing members with digital access anytime, anywhere
 - **Release of new Libero 6 Library Management System (LMS)** with increased functionality including sophisticated search algorithms, improved event management, a flexible booking system and enhanced security features
- **Disciplined increase in R&D and staff costs on pcp**, reflecting a strategic uplift in investment to accelerate next-generation library-tech capabilities
- **Positive operating cash flow of \$0.5m** for the quarter, with a cash balance of \$3.9m at 31 March 2025
- **Outlook for FY26:** Ongoing investment in AI-enabled library solutions and continued progress on product pipeline, with commercial revenue from these initiatives expected from FY26 onwards

Knosys Limited (ASX:KNO) ("Knosys" or the "Company"), is pleased to provide its March 2025 quarterly activity report and Appendix 4C ("Q3 FY25").

Q3 FY25 Overview

Knosys delivered strong cash receipts of \$3.2m in Q3 FY25, supported by the annual billing cycle of major enterprise clients and a solid performance in underlying operations. Knosys has low volatility recurring revenue streams. The record high Annual Recurring Revenue run rate of \$9.8m at April 2025 is underpinned by client retention, including several large enterprise contract renewals as announced in 1H FY25, and new customer acquisitions.

In the past quarter, Knosys continued to invest in library-tech development, successfully launched the next-generation Libero mobile app and rolled out a significant upgrade to its flagship LMS, Libero 6. As a result, R&D spending was up 125% on pcp to \$0.6m and staff costs were up 6% on pcp to \$1.2m.

Knosys generated net operating cash inflow in Q3 FY25 of \$0.5m.

Strengthening Knosys' Library Business

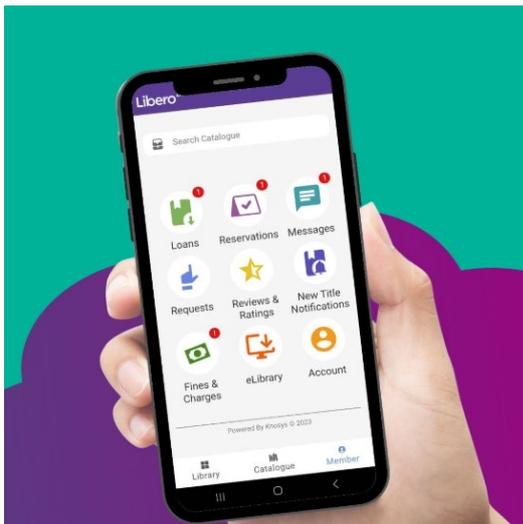
In March 2025, Knosys strengthened its Library business with the successful launch of the mobile library app and the upgrade of the Libero 6 LMS. These are further achievements in Knosys' process of building a world class LMS offering.

Libero is a secure, cloud-based library management solution which enables accessibility and seamless interaction across all user devices. It is an all-in-one library management system and mobile library app for elevating library success and delivering the best experiences for members and staff.

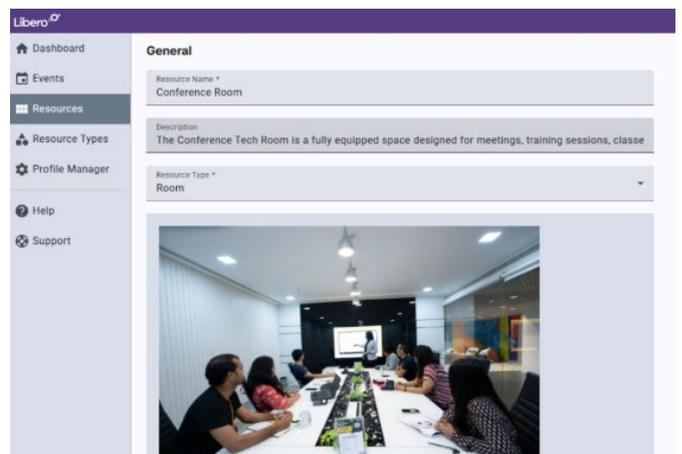
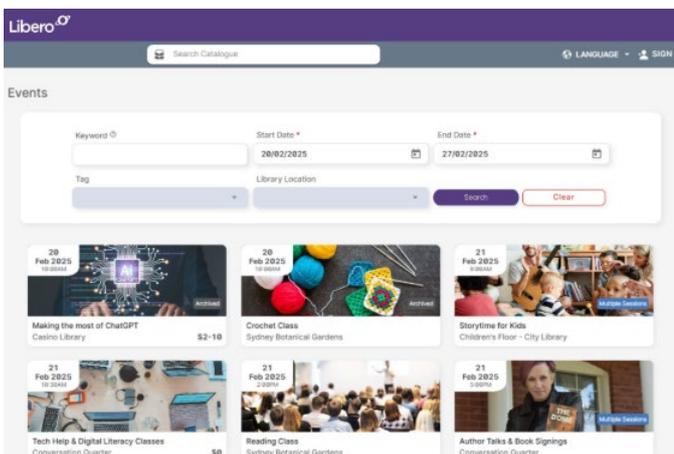
The **new Libero library** app enhances and extends member engagement and experience beyond the library, providing members with digital access anytime, anywhere.

Key enhancements include:

- Sophisticated search algorithms
- Improved event and resource booking systems
- Flexible, secure, and user-centric design

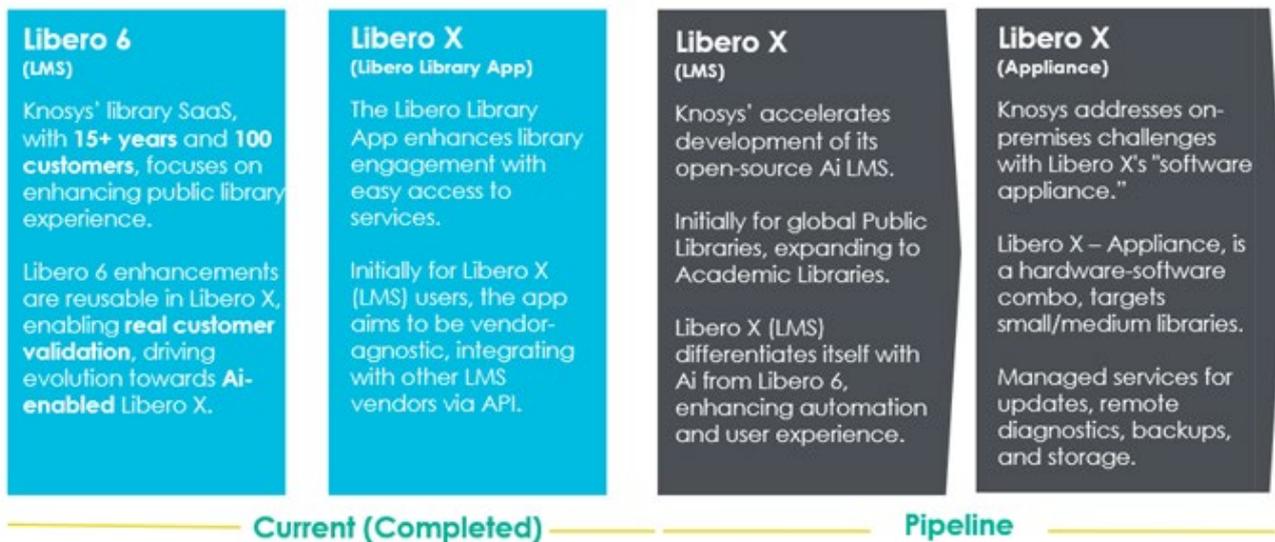


Library app now included as a device with desktop and tablet



Initial customer feedback has been positive and the current sales focus is on existing library customers in Australia and Germany. The sales cycle for library-tech typically involves a tender process and these new products are currently under consideration in a number of live tenders.

Following the release of the Libero 6 LMS and the Libero Library App, the product development team is now working on developing the next major platform iteration, which will incorporate AI enablement, open-source integration, and advanced workflow automation.



By FY27, Knosys will have a complete market-leading software solution for the key library market segments of public and academic libraries globally. This forms part of a broader strategy to expand market share and deepen customer value through innovation-led solutions.

Appendix 4C cashflow report – released with this activity report

In Q3 FY25, Knosys received \$3.2m in cash receipts from customers. Note that Q3 is a seasonally strong quarter for cash receipts due to the annual billing cycle of several large enterprise customers that are billed in December/January.

Net operating cash inflows for the quarter were \$0.5m, reflecting the higher cash receipts, which were offset in part by an increase in R&D expenses and staff costs. YTD net operating cash flow for the nine months to March 2025 was an outflow of \$0.2m. The cash balance at 31 March 2025 was \$3.9m.

The aggregate payments to related parties, as disclosed in item 6.1 of the Appendix 4C, is comprised of director fees paid to the non-executive directors and salary payments to the managing director, in accordance with contractual arrangements.

Outlook

Knosys Managing Director, John Thompson said, "We again have achieved a record high ARR, at \$9.8m, which should underpin our recurring revenue over the next few years as we continue to invest in our solutions.

We are excited by the progress we have made on our next generation of library-tech solutions, having recently released a significant upgrade to the Libero 6 LMS. Importantly, we have formally launched our new Libero Library App which represents a significant milestone for the company, with new commercial revenue streams expected to follow. Our increased investment in library-tech is focused on helping libraries to adapt and thrive in the digital age.



Our broader development program is investing in several AI-based proof-of-concept projects aimed at transforming knowledge and library management. I am very pleased with the significant progress that we are making on our product development pipeline and the market interest we are generating."

ABOUT KNOSYS

Knosys is a leading SaaS provider headquartered in Melbourne, with operations internationally, providing specialist expertise in helping businesses manage information and knowledge. We enable organisations to make sense of information and use it to connect, collaborate and drive strong business outcomes for customers, employees and stakeholders. Our focus is on developing solutions that enable businesses to make the most of information and knowledge assets that sit within their organisation. This currently includes library management, knowledge management and intranet solutions.

"Connecting People and Information"

The Board of Knosys Limited has authorised the release of this announcement to the market.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Knosys Limited

ABN

96 604 777 862

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,177	6,964
1.2 Payments for		
(a) research and development	(567)	(1,566)
(b) product manufacturing and operating costs	(682)	(1,689)
(c) advertising and marketing	(45)	(146)
(d) leased assets	-	-
(e) staff costs	(1,235)	(3,940)
(f) administration and corporate costs	(266)	(1,057)
1.3 Dividends received (see note 3)		
1.4 Interest received	20	79
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income taxes paid (refund)	56	35
1.7 Government grants and tax incentives	-	1,126
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	456	(200)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses – net of cash acquired		
(c) property, plant and equipment	(1)	(24)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other – M&A consulting and legal fees		
2.6 Net cash from / (used in) investing activities	(1)	(24)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings – ROU liability	(29)	(83)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(29)	(83)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,466	4,185
4.2 Net cash from / (used in) operating activities (item 1.9 above)	456	(200)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(24)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	(83)
4.5	Effect of movement in exchange rates on cash held	(19)	(5)
4.6	Cash and cash equivalents at end of period	3,873	3,873

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,188	879
5.2	Call deposits	1,380	1,293
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	1,305	1,294
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,873	3,466

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Director remuneration	155
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – ROU lease liability (AASB16)	111	111
7.4 Total financing facilities	111	111
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The amount above is disclosed under AASB 16. This is the Right of Use lease liability relating to the company's property lease for its head office in Melbourne.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	456
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,873
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,873
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2025

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.