

## ASX Announcement

27 February 2025

# Record ARR, positive EBITDA with accelerated investment in next generation Library Management Solutions on track to drive future growth.

### Key Highlights:

- **Record Annual Recurring Revenue (ARR) of \$9.7m:** Driven by new customer acquisitions, enterprise contract renewals and customer uplift. Total revenue for the quarter of \$5.4m, up 2% on pcp, reflecting strong client retention and low volatility, recurring revenue streams
- **Successful execution on product development roadmap:** Significant enhancements to existing product suite and a new mobile Library App, are being delivered on-time and on-budget
- **EBITDA positive:** EBITDA of \$0.1m, down \$0.5m on pcp, due to a policy of increased investment in library-tech whilst maintaining disciplined cost control
- **Net loss after tax of \$0.3m:** Down \$0.4m, from a positive NPAT of \$0.1m in 1H FY24
- **Operating cash outflow of \$0.7m:** Reflects fluctuations in timing of annual fee receipts from key customers and increased investment in product development
- **Solid cash position:** Cash balance of \$3.5m at 31 December 2024 with over \$2m in cash receipts in January/February 2025
- **Outlook:** Future revenue stability underpinned by strong enterprise client contract renewals and increased revenue contribution from new product development expected from FY26 onwards.

**Knosys Limited (ASX:KNO)** ("Knosys" or the "Company"), is pleased to report its first half FY2024 ("1H FY24") financial results for the period ending 31 December 2024.

### 1H FY25 Results Overview

	1H FY25	1H FY24	△
<b>Total Revenue</b>	\$5.4m	\$5.3m	Up 2%
<b>Revenue from license, support and project fees</b>	\$4.8m	\$4.9m	Down 1%
<b>EBITDA</b>	\$0.1m	\$0.6m	Down \$0.5m
<b>Net Profit/(Loss) attributable to members</b>	\$(0.3)m	\$0.1m	Down \$0.4m
<b>Operating cash inflow / (outflow)</b>	\$(0.7)m	\$0.7m	Down \$1.4m
<b>Cash balance</b>	<b>Dec'24</b> \$3.5m	<b>Jun'24</b> \$4.2m	Down \$0.7m



Knosys Managing Director, John Thompson said, "Over the past six months, we have successfully executed on our product development roadmap, on-time and on-budget. As previously announced, the Company has embarked on a strategy to make our library management solution a world-class offering over the next two years. This strategy update requires significant investment, leading to revenue benefits from FY26. We are delivering significant enhancements to our existing product suite, which will improve our competitiveness and our ability to acquire new customers. In addition, we will be launching our new mobile Library App in March 2025, which is a major milestone for the company. We have managed this investment in a disciplined manner, and I am pleased to report the positive EBITDA in the first half."

### **Overview of 1H FY25 Results**

Total revenue of \$5.4m was up 2% on pcp, and revenue from license, support and project fees were down 1% on pcp to \$4.8m, reflecting strong client retention and low volatility recurring revenue streams.

Annual Recurring Revenue (ARR) reached a record high of \$9.7m in January 2025, driven by new customer acquisitions, enterprise contract renewals and increased revenue per customer.

In 1H FY25, Knosys signed a new contract with the Office of the Director of Public Prosecutions in WA for the KnowledgelQ solution. The contract is for an initial five-year term with a two-year extension option, for a total contract value of up to \$985k over seven years. Recurring revenue from this new customer is expected to commence in the March 2025 quarter. In addition, licence fee revenues commenced in 1HFY25 from new customers signed prior to July 2024.

Knosys successfully renewed several large enterprise client contracts for its market leading knowledge management platform, KnowledgelQ, including Singtel, Optus, Service Tasmania and Healthdirect. The combined contract value of these renewals exceeds \$3.6 million over the next two years. These contract renewals and the new contract win demonstrate the quality and value to customers of the KnowledgelQ product.

EBITDA was positive at \$0.1m, down by \$0.5m on pcp, and operating expenses were \$5.7m, up 10% on pcp, due to the increased investment in library-tech whilst maintaining disciplined cost control. The net loss after tax of \$0.3m, includes the impact of non-cash charges of \$0.4m for amortisation of intangible assets.

The operating cash outflow of \$0.7m, compared to an operating cash inflow of \$0.7m in 1H FY24, reflects the fluctuation in timing of annual fee receipts from key customers and the increase in product development.

The cash balance of \$3.5m at 31 December 2024 has increased further to \$4.3m as at 25 February 2025.

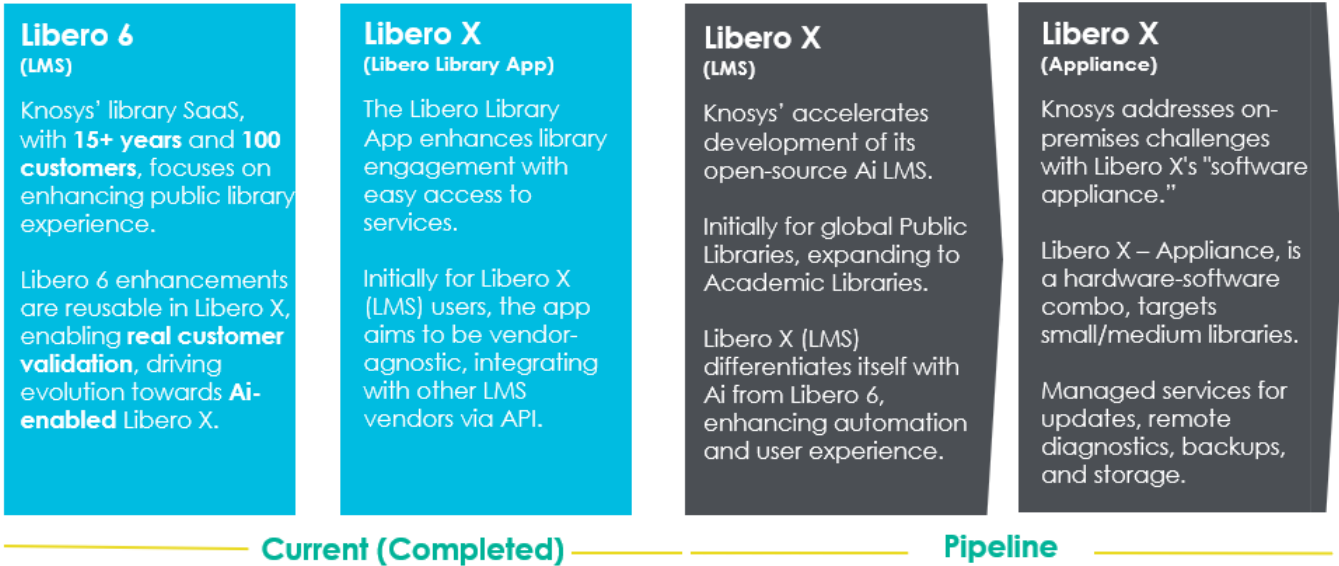
### **Successful execution of product development roadmap**

Over the past six months, whilst continuing to make enhancements across our product suite, Knosys successfully executed on the product development roadmap to enhance its Libero library management solution for commercial application in the growing library-tech industry.

By FY27, Knosys aims to have a complete market-leading software solution for the key library market segments of public and academic libraries. This new product suite is designed to meet the requirements customers have told us they need and to grow market share in the industry globally with a broader range of solutions.



Knosys is developing the following suite of library management solutions.



Knosys has made significant enhancements to its existing Libero 6 product suite, including new modules for library member management, events and resource booking. These new features will improve the competitiveness of the product in market and enhance the potential for new customer acquisition.

In addition, Knosys completed the beta launch of the new Libero mobile library app in mid-September. This is the first new product to be released as part of the library-tech product development program, which started in 2H FY24. The commercial launch of the mobile library app is in March 2025 with new commercial revenue streams to follow.

### Outlook

Knosys is investing to take itself into the next generation of market leading library-tech solutions. This transition is being managed in a carefully planned manner to maintain revenue stability from major enterprise clients and with disciplined management of increased operational and product investment costs within funding capacity.

The product development program is on track, with the upcoming release of significant enhancements to the existing product suite and the launch of a new mobile Library App in March 2025, with new commercial revenue streams and new customer acquisition expected from FY26 onwards.

### 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 Ltd has authorised the release of this announcement to the market.*

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