

ASX Announcement

31 October 2025

Q1 FY26 Activity Report and Appendix 4C

Key Highlights:

- **Strong quarterly cash receipts of \$3.5m**, which includes the annual licence payments of several large enterprise clients.
- **Annual Recurring Revenue (ARR) of \$9.5m** – a strong annual renewals quarter with over 60 renewals from Libero customers.
- **New Libero contracts** – four new customers secured, reflecting initial market traction of new product releases in Libero 6 during the 2H FY25.
- **Positive operating cash flow:** Operating cash inflow of \$0.6m for Q1 with increased investment in the Company's product development program.
- **Strong cash position:** Cash balance of \$3.4m at 30 September 2025.
- **Appointment of new Chair, Dr Phillip Carter**, and the resignation of Mr Neil Wilson and Ms Kathrin Mutinelli. Former Chair, Alan Stockdale, remains on the Board as a Non-Executive Director.
- **Positive outlook for FY26:** Continued investment in Libero 6 and the next-generation, Libero X, product development program and ongoing investment in sales and marketing in preparation for entry into global markets in FY27.

Knosys Limited (ASX:KNO) ("Knosys" or the "Company") is pleased to provide its September 2025 quarterly activity report and Appendix 4C ("Q1 FY26").

Q1 FY26 Overview

Knosys generated strong cash receipts of \$3.5m in Q1 FY26, reflecting seasonally strong annual licence fee payments across all product lines.

The Annual Recurring Revenue (ARR) run rate of \$9.5m at October 2025 is down marginally from \$9.8m on the prior quarter, primarily due to the loss of a large GreenOrbit client. Notably, the ARR for Libero and Knowledge Management customers has remained steady and is growing organically, underpinning the recurring revenue model.

Knosys continues to invest in its product development program, which is primarily focused on the next-generation library management solution, Libero X, with enhanced AI capabilities.

In Q1 FY26, Knosys generated a positive net operating cash flow of \$0.6m, reflecting strong cash receipts from customers and receipt of the R&D tax rebate. Cash outflows included increased investment in R&D and higher staff costs. Cash balance as at 30 September 2025 was \$3.4m.



The Company secured contracts and added four new customers – Oberon Council, Fliedner University, Wuchopperen Health Service, and Balranald Shire Council - to its Libero 6 library management system cloud service.

During this quarter, five existing customers expanded their subscriptions to add the Libero mobile library application, and 60 existing customers remitted their annual subscriptions, maintaining Libero's high customer retention rate.

The Company has a significant pipeline of new sales opportunities, including several in which Knosys is responding to requests for proposals. These new business opportunities, coupled with the strong customer renewal performance, continues to reinforce the Board's confidence that Libero's enhanced SaaS platform is delivering clear value to customers and is gaining traction in the market.

Libero Product Development Update

We continue to accelerate enhancements to the current Libero 6 library management solution, adding new features sought by libraries, such as Discovery, Events, and Resource Booking, which are driving new sales and customer renewals in Australia and Germany.

In parallel, Knosys is working on the next generation Libero X solution, which is expected to be ready for commercial sale in FY27. Libero X is the next generation library management solution, featuring enhanced automation and personalisation, powered by open-source AI, with a primary focus on public libraries. Feedback from libraries is very positive towards these developments.

The product development team is also providing vendor support for libraries that have subscribed to the new Libero Library App for mobile devices.

Appointment of new Chair, Dr Phillip Carter

Dr Phillip Carter was appointed as an independent Non-Executive Director and Chair of Knosys, effective 13 October 2025. Dr Carter is an experienced business leader and entrepreneur across start-ups and public companies with over 20 years of board experience in strategy, finance and governance across technology, industrials, financial and professional services industries. He also has over 25 years of experience in investment management and capital market transactions in Australia, New Zealand, UK and EU. He is currently a Partner at Kestrel Capital and has extensive experience with a leading UK-based investment management and corporate strategy consulting practice.

The Hon. Alan Stockdale resigned his position as Chair and remains a Non-Executive Director.

Non-Executive Directors, Mr Neil Wilson and Ms Kathrin Mutinelli, have resigned from the Board. The Board thanks Kathrin and Neil for their contributions over the last five years.

Appendix 4C cashflow report – released with this activity report

In Q1 FY26, Knosys received \$3.5m in cash receipts from customers (compared to \$2.2m in Q1 FY25), reflecting seasonally strong annual license fee payments across all product lines. Due to timing differences, some large annual payments that were received in Q1 FY26 were not received in Q1 FY25 last year, but in the prior quarter. Such timing differences are typical for Knosys, due to the annual billing cycle of some large enterprise clients occurring in the June/July period, which can have a significant impact on quarterly cash inflows. Q1 is seasonally the strongest operational cashflow quarter of the year for Knosys, as evidenced by quarterly lodgements over prior financial years.

Knosys generated a positive net operating cash flow of \$0.6m in Q1 FY26, reflecting the strong operating cash receipts and the R&D tax rebate. Cash outflows were impacted by higher R&D costs related to increased investment in library technology and by higher staff costs, including new



development staff and annual staff incentive payments. The cash balance at 30 September 2025 was \$3.4m.

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

"I am pleased we have delivered a strong operational performance in the first quarter, with a robust quarter for renewals from our Libero library management system customers. We are also excited to welcome new customers to Libero, who have been attracted to our ambitious product development program in Libero 6 and Libero X. They see us becoming a market-leader in next-generation library management solutions, and we look forward to meeting our customers' expectations," said Managing Director, John Thompson.

ABOUT KNOSYS

Knosys is a leading SaaS provider headquartered in Melbourne, with international operations, providing specialist expertise to help 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 within their organisations. 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")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,540	3,540
1.2 Payments for		
(a) research and development	(711)	(711)
(b) product manufacturing and operating costs	(648)	(648)
(c) advertising and marketing	(58)	(58)
(d) leased assets	-	-
(e) staff costs	(1,611)	(1,611)
(f) administration and corporate costs	(530)	(530)
1.3 Dividends received (see note 3)		
1.4 Interest received	25	25
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid (refund)	(16)	(16)
1.7 Government grants and tax incentives	617	617
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	607	607
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	(10)	(10)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(10)	(10)

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	(30)	(30)
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	(30)	(30)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,825	2,825
4.2	Net cash from / (used in) operating activities (item 1.9 above)	607	607
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	(30)
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	3,398	3,398

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	1,250	1,545
5.2	Call deposits	1,071	213
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	1,077	1,067
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,398	2,825

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	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – ROU lease liability (AASB16)	51	51
7.4	Total financing facilities	51	51
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)	607
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,398
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,398
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.

31 October 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.