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ASX Announcement

29 October 2026

Q1 FY27 Activity Report and Appendix 4C

Key Highlights:

- **Strong underlying performance** with Annual Recurring Revenue (ARR) of $8.7m and operating expenses down 23% on pcp
- **Cash receipts of $1.4m,** low due to timing differences, with record high cash receipts in the prior quarter of $5.4m
- **Cash balance of $3.2m,** expected to increase to around $3.5m by end Oct 2026
- **Libero US market entry,** with marketing, direct sales and tendering activities underway
- **Positive outlook in FY27,** with commercial launch of Libero into US market and continued investment in Library and Knowledge Management solutions

Knosys Limited (ASX:KNO) ("Knosys" or the "Company") is pleased to provide its September 2026 quarterly activity report and Appendix 4C ("Q1 FY27").

Q1 FY27 Overview

Knosys' underlying business performance remains strong. This quarter, Knosys began the early stages of its US growth strategy for Libero, executing the initial commercialisation phase for Libero's enhanced library management solutions in the US. Soft launch marketing and tendering activities are underway.

Annual Recurring Revenue (ARR) of $8.7m, down 3% QOQ mainly due to the early stages of migrating GreenOrbit customers to the Oak Engage platform. Near-term group ARR is expected to decline, due to the decision to transition away from the GreenOrbit business over FY27 and FY28. Initially, this will be largely offset by commission payments to Knosys from Oak Engage for the customers that successfully transition to the Oak Engage Platform. ARR from existing Libero and Knowledge IQ products remains steady and Knosys aims to grow it with its current growth strategy.

Several key timing differences adversely impacted cash receipts of $1.4m compared to the prior year and prior quarter. Operating expenses were down 23% on pcp, mainly due to lower staff costs and lower product manufacturing and administration costs. Knosys delivered a net operating cash outflow of $1.6m, due to timing differences in cash receipts. The cash balance at 30 September 2026 was $3.2m and is expected to increase to around $3.5m by the end of October 2026.

Leveraging AI in product capabilities and internal operations

Knosys is well positioned to benefit from the positive tailwinds of AI-related innovation. Knosys is leveraging AI to enhance its core Software-as-a-Service (SaaS) products, positioning them as critical "Systems of Record" in the global AI value chain. By establishing a single source of verified

information, Knosys allows large organisations to securely integrate external AI tools while eliminating the risk of data inconsistency. In addition, Knosys is using various AI applications within its own business to accelerate and improve its suite of business solutions.

US Market Entry – Libero

During the quarter, Knosys moved its US expansion for Libero from planning into active market engagement. The Company carried out a structured go-to-market research program, including a targeted telemarketing campaign to US public library directors. It aimed to test Libero's positioning, understand buying requirements, and identify libraries with upcoming system replacement cycles. By the end of the quarter, the campaign was complete and had already identified several near-term sales opportunities. Activities undertaken included:

- Launching US-centric website, videos and flyers;
- Acceptance into the main US library associations (ALA and PLA);
- Email nurture series that takes leads through to sales demonstrations;
- Sponsorship of the IOWA Library Association Conference;
- Initial print, digital and telemarketing marketing campaigns;
- Generation of market-qualified leads; and
- Going live with US-centric social media advertising.

Early demand indications show promise. North America became the largest source of qualified new Libero leads in the quarter, ahead of Asia Pacific and Europe. Libraries using commercial platforms from the established vendors showed particular interest in Libero's modern, cloud-native platform and its simpler pricing.

The Company also progressed product and operational readiness for the US market: US localisation of Libero 6 was completed, and the Libero Library App was released on Microsoft Azure. Knosys is putting its existing US corporate structure, previously used by GreenOrbit, to work for Libero US, removing the time and cost of establishing a new entity. Visa processes for key US-based staff are well advanced.

Building on this foundation, Knosys has developed a staged US go-to-market plan focused on mid-sized public libraries, library consortia, and purchasing routes that let libraries buy without running a full tender, such as cooperative purchasing contracts. Libero made its US event debut at the Iowa Library Association Conference in early October 2026, generating a significant number of new leads. The Company looks forward to updating shareholders on its first US customer engagements in coming quarters.

Appendix 4C cashflow report – released with this activity report

In Q1 FY27, Knosys received $1.4m in cash receipts from customers. Several key timing differences impacted cash receipts compared to the prior year and prior quarter. In Q4FY26, Knosys generated record-high cash receipts of $5.4m, primarily reflecting an advance payment of $3.8m from ANZ Bank for 2 years of annual licence fees. In the prior comparative period, Knosys received most of the annual licence fee from ANZ in July. In addition, in Q4FY26 Knosys also received several large Libero customer annual licence payments for July 2026 and the FY25 R&D tax refund. In the prior comparative period, these were received in the subsequent quarter.

Operating expenses decreased by 23% on pcp, mainly due to a $460k reduction in staff costs (down 29% on pcp) and lower product manufacturing and administration costs.

With the impact of the timing differences on cash receipts, partially offset by expense savings, Knosys generated a net operating cash outflow of $1.6m. The cash balance at 30 September 2026 was $3.2m and is expected to increase to around $3.5m by the end of October 2026. The Company is targeting a near breakeven operating cash result for the December 2026 quarter, with the expected benefit of the receipt of the FY26 R&D tax refund.

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

Outlook

Managing Director, John Thompson, commented, "We are well positioned to benefit from the positive tailwinds of AI innovation across the software industry. We are collaborating with our enterprise customers to support their internal strategic initiatives to integrate AI functionality. We are also using AI internally to improve operational scalability, accelerate development, and enhance our platform.

We are entering an exciting new growth phase as we transition from build to sell for our next-generation library management technology. We have focused our activities to support the entry of Libero into the US market, and we remain optimistic about the potential for commercial scalability over time."

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	**Quarter ended ("current quarter")**
96 604 777 862	30 September 2026

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	1,369	1,369
1.2	Payments for		
	(a) research and development	(635)	(635)
	(b) product manufacturing and operating costs	(466)	(466)
	(c) advertising and marketing	(45)	(45)
	(d) leased assets	-	-
	(e) staff costs	(1,147)	(1,147)
	(f) administration and corporate costs	(438)	(438)
1.3	Dividends received (see note 3)		
1.4	Interest received	31	31
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid (refund)	(1)	(1)
1.7	Government grants and tax incentives	-	-
1.8	Other – GST re prior quarter receipts	(250)	(250)
1.9	**Net cash from / (used in) operating activities**	**(1,586)**	**(1,586)**

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	(5)	(5)
	(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**	**(5)**	**(5)**

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	(33)	(33)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(22)	(22)
3.10	**Net cash from / (used in) financing activities**	**(55)**	**(55)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,900	4,900
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,586)	(1,586)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)

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)	(55)	(55)
4.5	Effect of movement in exchange rates on cash held	(29)	(29)
4.6	**Cash and cash equivalents at end of period**	**3,224**	**3,224**

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	580	1,023
5.2	Call deposits	1,144	2,391
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	1,500	1,486
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,224**	**4,900**

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	227
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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**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)	184	184
7.4	**Total financing facilities**	184	184

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)	(1,586)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,224
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,224
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.03

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.

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

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.

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 October 2026

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.