Kneat Secures Up to €15 Million Through Secured Credit Facility to Fund Continued Growth of the Company

June 26, 2023 11:00 AM EDT

Financing Fuels Kneat's Strong Revenue Growth and Improving Margin Profile

LIMERICK, Ireland, June 26, 2023 /CNW/ - **kneat.com, inc. (the "Company" or "Kneat")** (TSX: KSI) (OTC: KSIOF), a leader in digitizing and automating validation and quality processes, is pleased to announce that it has secured up to €15 million in secured debt financing from IPF Partners, a leading financing provider focused exclusively on the healthcare sector.

The credit facilities (the "Facilities") consist of three term credit facility commitments of €5 million each, to be availed by Kneat's Irish subsidiary, Kneat Solutions Limited. Each Facility matures 18 quarters from its initial drawdown date. In addition to the usual conditions for utilization of the Facilities, availability under the latter two Facilities shall be subject to achievement of Annual Recurring Revenue (ARR) milestones. Kneat intends to use the financing alongside its own funds from operations for general corporate purposes.

"The financing we are announcing today provides Kneat with greater financial flexibility as we continue building out the next-gen platform for quality management and supports us on our way toward profitability," said Eddie Ryan, CEO of Kneat. "With our strong revenue growth, improving gross margins, and ongoing wins inside the world's largest pharmaceutical companies, we continue to consolidate our leadership position in digital validation for the life science industry."

"We are pleased to support Kneat's efforts helping make life sciences companies' processes for quality management leaner, faster, smarter and more sustainable," said Raeto Guler, a partner at IPF Partners. "We are confident in Kneat's ability to continue executing on their strategy."

Each of the Facilities carries an annual cash interest of three-month EURIBOR + 7.0%, payable quarterly; and capitalized interest of 2.0%, accrued and capitalized quarterly, in addition to customary structuring and exit fees. The total cash cost of the arrangement is dependent on the final number of the three facilities availed of and whether the debt is repaid on each maturity date or earlier. Kneat intends to draw down the first €5 million facility this quarter.

The Facilities are guaranteed by the Company and its U.S. wholly owned subsidiary, and are secured by a perfected, sole first-priority security interest in all existing and after acquired tangible and intangible assets of Kneat Solutions Limited, the Company and its U.S. wholly owned subsidiary.

About Kneat

Kneat, a Canadian company with operational headquarters in Limerick, Ireland, develops and markets the next-generation Kneat Gx SaaS platform. Multiple business work processes can be configured on the platform from equipment to computer validation, through to quality document management. Kneat's software allows users to author, review, approve, execute testing online, manage any exceptions, and post-approve final deliverables in a controlled FDA 21 CFR Part 11/ EU Annex 11-compliant platform. Macro and micro report dashboards enable powerful oversight into all systems, projects and processes globally. Customer case studies are reporting productivity improvements in excess of 100% and a higher data integrity and compliance standard. For more information visit www.kneat.com

About IPF

IPF Partners, based in Luxembourg, is a leading alternative financing provider focused on the healthcare sector. IPF invests directly in commercial stage Digital Health and Healthcare Services companies and late development stage Pharma/Biotech. Founded in 2011 by a seasoned multi-disciplinary team combining over fifty years of healthcare management and eighty years of finance and investment experience, IPF has developed a unique business model using the team's specialist sector knowledge to provide bespoke, long-term financing. For more information visit www.ipfpartners.com.

Cautionary and Forward-Looking Statements

Except for the statements of historical fact contained herein, certain information presented constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, the future profitability of the Company, the ability to access the Facility based on ARR milestones, the relationship between Kneat and the customer, Kneat's business development activities, the use and implementation timelines of Kneat's software within the customer's validation processes, the ability and intent of the customer to scale the use of Kneat's software within the customer's organization and the compliance of Kneat's platform under regulatory audit and inspection. While such forward-looking statements are expressed by Kneat, as stated in this release, in good faith and believed by Kneat to have a reasonable basis, they are subject to important risks and uncertainties. As a result of these risks and uncertainties, the events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance, given that they involve risks and uncertainties.

Kneat does not undertake any obligation to release publicly revisions to any forward-looking statement, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at an investor's own risk.

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