

## About Kneat

Kneat is a Canadian company with operational headquarters in Limerick, Ireland, that develops and markets Kneat Gx, a next-generation Software-as-a-Service platform. Multiple business work processes can be configured on the platform, and companies are using Kneat to go from paper-based processes to paperless, digital processes, a key step toward automation.

While Kneat is a market leader in validation processes for the life science industry, the capabilities of the Kneat GX platform are extensive, ranging from equipment to computer validation, through to quality document management. With Kneat, users author, review, approve, execute testing online, manage any exceptions, and post-approve final deliverables in a controlled platform that is compliant with regulatory requirements, including FDA 21 CFR Part 11 and EU Annex 11.

Customers see meaningful returns on their investments in Kneat. Conventional compliance processes are time- and labor-intensive, susceptible to data integrity issues and non-compliance, and generate massive amounts of paper documents that need to be stored, and retrievable from long-term storage, for years. Kneat's end-to-end digital platform enables real-time data capture and visibility across multiple types of documents (e.g., Word, pdf, etc.), speeds and streamlines processes, is easy to use, and is inherently audit-ready, ensuring quality and reducing risk. Customer case studies (available on [kneat.com](https://kneat.com)) report cycle times cut in half, a doubling of productivity, and the elimination of other quality management systems as their functionality is absorbed by Kneat.

## Letter to Shareholders

Dear Fellow Shareholders,

Our performance in the fourth quarter was a fitting wrap-up to an excellent year for Kneat. While the world weathered major economic and geopolitical changes in 2022, our team at Kneat continued to pursue our vision of helping life sciences to develop, manufacture and deliver therapies to their patients to the highest safety standard. Fourth-quarter revenue grew 16% year over year to \$7.3 million, where SaaS license revenue grew 87% year over year, to \$5.7 million. As a result, we closed out 2022 with full-year revenue of \$23.7 million, 53% higher than the year before, and over the same period, we doubled recurring revenue from SaaS licenses, to \$17.3 million.

While our 2022 revenue was six times what it was three years ago, it feels like we are just getting started. Our passion is just as strong now as it was when we started, because now we see how life sciences teams thrive with our software. And as our list of large global customers gets longer, and their quality assurance and other teams experience the real benefits of our purpose-built platform, our opportunity set gets larger. Word spreads internally throughout the enterprise, and our selling proposition gets stronger with each new customer we add. We put these sales assets to good use in 2022, expanding our network of partners, doubling our sales team, and bringing on an experienced sales executive to lead future growth. Our sales momentum was supported by further investments in marketing, where our team has leveraged new tech tools and expanded our presence through many trade conferences in 2022 and our own hugely successful user conference, "Validate", this past fall in Boston.

We also invested strongly in our product this past year. Having expanded the platform's capabilities across key areas such as user experience, integrations, data visualisation, file and drawing management, more customers were able to take advantage of these new features faster than ever before, and this progress has also facilitated transitioning on premise customers to SaaS. With the number of on-premise customers now in the low single

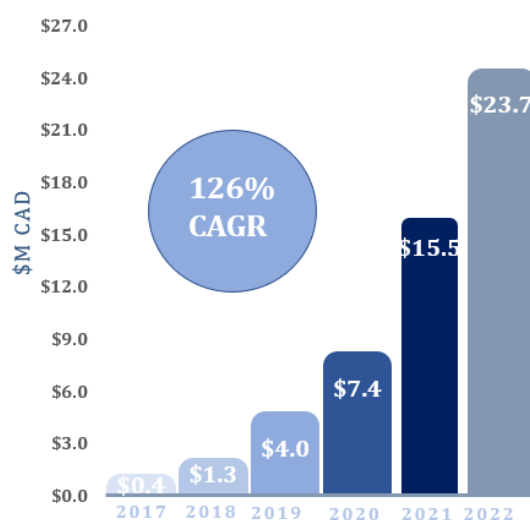
digits, we are optimistic the transition to a 100% SaaS-hosted customer base will be completed in 2023. This is an excellent set up for customers to reap the benefits from continued product development going forward.

This combination of a strong devotion to our craft, our adherence to excellence that our industry requires, and the purpose we serve in the world, draws high performers to Kneat. The culture that has flourished has helped make Kneat one of the fastest-growing tech companies in Ireland for the second year in a row.

As we look ahead and think about all the changes 2023 is likely to bring with it, we at Kneat will continue to focus on our vision. We plan to continue to add and deploy new SaaS customers, expand to new work processes and new sites within our existing customer base, leverage our partner relationships to help expand our global reach, further develop the Kneat Gx platform, and continue to build a solid foundation for our company structure to support the continued rapid growth of Kneat for the next several years. And we are confident we can capture greater efficiencies in our business in 2023, given our greater size, scale and SaaS capabilities.

- Eddie Ryan, CEO

## Rapid Revenue Growth



*Kneat has grown its revenue consistently, achieving a compound annual revenue growth rate of 126% over the past six years.*

These are the 20 largest pharmaceutical companies in the world.  
Most use Kneat.



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*Kneat helps Life Sciences to develop, manufacture and deliver therapies to their patients to the highest safety standard.*

Kneat is a compelling investment opportunity, with:

- Market leadership in life sciences validation
- High customer and revenue retention
- Strong organic growth via land and expand and new wins
- Expanding TAM, as regulated companies seek to automate
- Improving gross margin, as SaaS revenue mix increases
- Proven, founder-led executive team

