2025 Year in Review
Letter to Shareholders

Dear Fellow Shareholders,

As we look back on 2025, I want to begin by thanking you for your continued confidence in Kneat. This past year underscored the essential role our platform plays in helping the world's leading life sciences organizations operate with compliance, consistency, and efficiency. It also highlighted our strength in a period of increased macro uncertainty. Across the enterprise software landscape, companies faced delayed buying cycles, heightened ROI scrutiny, and questions about the impact of artificial intelligence. Against these industry headwinds, Kneat delivered strong and resilient performance. We grew software revenue by 33%, welcomed a record number of new customers, and continued to gain market share over the competition. Since signing our first customer a decade ago, our land and expand model has scaled organically to more than $74 million in Annual Recurring Revenue[1], supported by a strong Net Revenue Retention (NRR)[1] rate of 115% in 2025. The NRR decrease over 2024 stems mainly from deferred expansion deals and churn related to non-strategics. We are not aware of any churn to a competitor, and we maintained 100% retention among our core strategic customers.

Recent commentary has raised concerns about potential AI substitution in SaaS, concerns that apply least in the highly regulated, mission-critical environments where Kneat operates. Our customers are among the world's most sophisticated life sciences manufacturers, where compliance, traceability, and absolute data integrity are non-negotiable. Enterprise software in this context is a trust-driven business. Kneat has earned that trust through years of proven performance as the partner of choice for thousands of users across many of the world's largest life sciences companies, including 8 of the top 10 pharmaceutical manufacturers. The reliability and maturity of our platform, combined with long-standing customer relationships, create significant barriers that are difficult for new or existing competitors to overcome.

Kneat is purpose-built for the full rigor of validation in regulated environments. Every action within our platform is attributable, traceable, auditable, and preserved for long-term regulatory review across global authorities. This architecture and its depth of data integrity is exceptionally difficult to replicate and represents a durable competitive advantage.

In this context, AI is not a threat but a meaningful accelerant. Safe and effective AI depends on structured, high-quality, audit-ready data, and Kneat provides exactly that foundation as the trusted system of record. In 2025, we introduced AI capabilities designed specifically for GxP-aligned environments, including a content review assistant, natural-language process analysis, a user-support chatbot and instant language translation. Each of these capabilities operates within embedded governance frameworks, ensuring that AI-supported outputs meet the same standards as traditional validation processes. Looking forward, our AI roadmap includes deeper automation across lifecycle documentation, risk management, workflows, and end-to-end process optimization, all delivered with the transparency and reliability our customers require.

[1] Annual Recurring Revenue ("ARR") and Net Revenue Retention ("NRR") are supplementary financial measures. See 'Supplementary Financial Measures' section of our MD&A for additional information
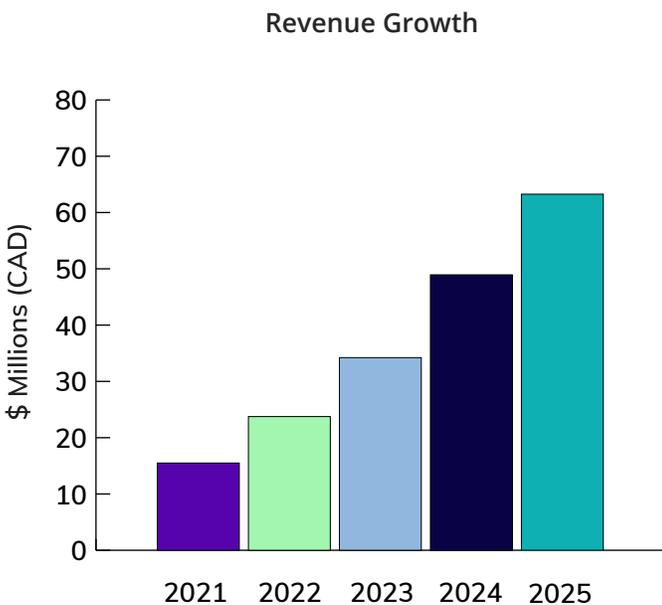
Our differentiation continues to strengthen. The combination of deep validation functionality, configurable zero-code workflows, and a robust data-integrity model aligned to regulatory expectations is unique in our market. Customer feedback reinforces this position. Kneat recently earned a 98/100 G2 Satisfaction Score, the highest in the Pharma and Biotech category and twenty points ahead of the next vendor. We continue to maintain a Net Promoter Score above 70, reflecting exceptional customer advocacy. Our team recently won a prestigious Gold Stevie® Award, recognizing their excellence in global tech support.

Our record number of new customers in 2025 reflects Kneat's standing as the trusted standard. As life sciences organizations modernize their quality systems and adopt AI responsibly, the need for structured, compliant, audit-ready data is growing sharply, making Kneat an increasingly central component of their digital infrastructure.

Taken together, these factors underpin our confidence as we enter 2026. We have a scalable business model, a growing market opportunity, and meaningful expansion potential across both new and existing customers. With disciplined investment, improving operating efficiency, and a clear path to cash flow breakeven, we remain focused on delivering enduring value to our customers and our shareholders.

Sincerely,
Eddie Ryan, CEO

Annual Revenue Growth

Revenue Growth

4.6/5
G2.COM

97%
CSAT SCORE

100%
PLAN TO RENEW

About Kneat

Kneat Solutions provides leading companies in highly regulated industries with unparalleled efficiency in validation and compliance through its digital validation platform Kneat Gx. As an industry leader in customer satisfaction, Kneat boasts an excellent record for implementation, powered by our user-friendly design, expert support, and on-demand training academy. Kneat Gx is an industry-leading digital validation platform that enables highly regulated companies to manage any validation discipline from end-to-end. Kneat Gx is fully ISO 9001 and ISO 27001 certified, fully validated, and 21 CFR Part 11/Annex 11 compliant. Multiple independent customer studies have shown that Kneat Gx reduces man-hours associated with validation documentation by up to 50%, accelerates review and approval cycles by up to 50%, and consistently supports higher standards of regulatory compliance. For more information visit www.kneat.com.

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