



**Earnings Release**  
**For the nine months ended September 30, 2025**

(Expressed in Canadian Dollars)

## Kneat Announces Record Revenue for Third Quarter 2025

*SaaS Revenue Growth Accelerates to 33% Year over Year*

LIMERICK, Ireland, November 12, 2025 – kneat.com, inc. (TSX: KSI) (OTC: KSIOF) (“Kneat” or the “Company”) a leader in digitizing and automating validation and quality processes, today announced financial results for the three-month period ended September 30, 2025. All dollar amounts are presented in Canadian dollars unless otherwise stated.

- Third-quarter 2025 total revenue reaches \$16.1 million, an increase of 26% year over year
- Third-quarter SaaS revenue reached \$15.2 million, an increase of 33% year over year
- Third-quarter gross profit reaches \$12.2 million, an increase of 25% year over year
- Gross margin for the quarter ended September 30, 2025 reaches 76%
- Annual Recurring Revenue (ARR)<sup>1</sup> at September 30, 2025, grows 37% year over year to \$68.6 million.

*“This past quarter yielded more evidence of the durability of Kneat’s competitive advantage. We announced three additional strategic wins amongst the many new customers, putting us on track towards a record year for new logo additions. Coupled with a robust pipeline and stabilizing expenses we are upbeat about a solid finish to the year and our foundation for breakeven in 2026.”*

*- Eddie Ryan, Chief Executive Officer of Kneat.*

### Q3 2025 Highlights

- Total revenues increased 26% to \$16.1 million in the third quarter of 2025, compared to \$12.8 million for the third quarter of 2024.
- SaaS revenue for the third quarter of 2025 grew 33% to \$15.2 million, versus \$11.5 million for the third quarter of 2024. Compared with the second quarter of 2025, SaaS revenue grew 8%.
- Third-quarter 2025 gross profit was \$12.2 million, up 25% from \$9.8 million in gross profit for the third quarter of 2024.
- Gross margin in the third quarter of 2025 was 76%, compared to 77% for the third quarter of 2024, and 75% for the second quarter of 2025.
- Net loss for the third quarter of 2025 was \$0.5 million, compared with a net income of \$1.2 million for the third quarter of 2024.
- EBITDA<sup>1</sup> in the third quarter of 2025 was \$3.8 million, compared with \$4.3 million for the third quarter of 2024.
- Adjusted EBITDA<sup>1</sup> in the third quarter of 2025 was \$2.5 million, compared with \$2.9 million for the third quarter of 2024.
- Total ARR<sup>1</sup>, which includes SaaS license and recurring maintenance fees, was \$68.6 million at September 30, 2025, an increase of 37% from \$49.9 million at September 30, 2024.

<sup>[1]</sup> ARR is a supplementary measure. EBITDA and Adjusted EBITDA are non-IFRS measures and are not recognized, defined or standardized measures under IFRS. These measures are defined in the “Supplementary and Non-IFRS Measures” section of this news release.

## 2025 YTD Financial Highlights

- Total revenues year to date increased 31% to \$46.3 million, compared to \$35.2 million for the same nine-month period in 2024.
- SaaS revenue grew 35% to \$43.2 million for the nine months ended September 30, 2025, versus \$32.0 million for the comparable period in 2024.
- Gross profit was \$34.8 million, up 32% from \$26.4 million in gross profit for the same year-to-date period of 2024.
- Gross margin for the nine months ended September 30, 2025 was 75%, even with 75% for the same period of 2024.
- Net income for the nine months ended September 30, 2025 was \$1.3 million, compared with a net loss of \$5.3 million for the nine months ended September 30, 2024.
- 2025 year to date EBITDA<sup>1</sup> was \$13.5 million, compared with \$4.3 million for the same year-to-date period of 2024.
- 2025 year to date Adjusted EBITDA<sup>1</sup> was \$5.3 million, compared with \$5.0 million for the same year-to-date period of 2024.

## Recent Business Highlights

- In early August, Kneat announced that a global medical technology company signed a three-year Master Services Agreement with Kneat.
- In late August, Kneat announced that a global equipment manufacturer that serves several industries, including healthcare, signed a three-year Master Services Agreement with Kneat.
- In September, Kneat announced that a leading multinational manufacturer of advanced devices and components, including for MedTech, signed a Master Services Agreement with Kneat.
- Also in September, Kneat announced that it was awarded the top position in three categories of G2's Pharma and Biotech Fall 2025 Grid Reports: for Pharma and Biotech overall; on the Relationship Index for Pharma and Biotech; and in the Mid-Market Grid Report for Pharma and Biotech. Kneat's total G2 Satisfaction Score was 98 out of 100, 20 points higher than the second-ranked company's score of 78.

Kneat's engineering team continues to innovate in line with customers' needs and our strategic vision. Kneat's AI strategy is unlocking new possibilities for speed, intelligence, and insight, while maintaining the highest standards of compliance and integrity. Recent advancements include AI capabilities that enhance usability and global reach, with upcoming near-term solutions designed to streamline content creation, content review and data-driven decision-making.

*"This quarter brought more of the progress we've come to expect. New signings and existing customer expansions continue at strength. As we build upon our feature sets that will bring Kneat into new areas, the company's financial future is promising."*

*- Dave O'Reilly, Chief Financial Officer of Kneat.*

## **Quarterly Conference Call**

Eddie Ryan, Chief Executive Officer of Kneat, and Dave O'Reilly Chief Financial Officer of Kneat, will host a conference call to discuss Kneat's third-quarter results and hold a Q&A session for analysts and investors via webcast on Thursday, November 13, 2025, at 9:00 a.m. ET.

Interested parties can register for the live webcast via the following link:

[Register Here](#)

## **Supplementary and Non-IFRS Financial Measures**

The Company uses supplementary financial measures as key performance indicators in its MD&A and other communications. Management uses both IFRS measures and supplementary, non-IFRS financial measures as key performance indicators when planning, monitoring and evaluating the Company's performance.

### *Annual Recurring Revenue ("ARR")*

Kneat management use ARR to evaluate and assess the Company's performance, identify trends affecting its business, formulate financial projections and make financial decisions. The Company believes that ARR is a useful metric for investors as it provides a measure of the value of the recurring revenue at a point in time (end date of the relevant quarter). ARR is based on signed agreements and indicates the level of recurring revenue that the Company would anticipate reporting in a 12-month period based on the full annual SaaS and maintenance fees for existing customers. In specific circumstances, the Company may utilize pricing incentives for limited contract periods. These incentives are not included in the calculation of ARR. ARR is used by Kneat to assess the expected recurring revenues from the customers that are live on the Kneat Gx platform at the end of the period. ARR is calculated using the licenses delivered to customers at the period end, multiplied by the expected customer retention rate of 100% and multiplied by the full agreed annual SaaS license or maintenance fee. Since many of the customer contracts are in currencies other than the Canadian dollar, the Canadian dollar equivalent is calculated using the related period end exchange rate multiplied by the contracted currency amount.

### *Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")*

EBITDA is calculated as net income (loss) attributable to kneat.com excluding interest income (expense), provision for income taxes, depreciation and amortization. We provide and use this non-IFRS measure of our operating performance to highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures and to inform financial comparisons with other companies. A reconciliation of EBITDA to IFRS financial measures is provided in the financial statements accompanying this press release.

### *Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")*

Adjusted EBITDA is calculated as net income (loss) attributable to kneat.com excluding interest income (expense), provision for income taxes, depreciation and amortization, foreign exchange gain and stock-based compensation expense. We provide and use this non-IFRS measure of our operating performance to highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures and to inform financial comparisons with other companies. A reconciliation of Adjusted EBITDA to IFRS financial measures is provided in the financial statements accompanying this press release.

## **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.

## **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 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, our ability to win business from new customers and expand business from existing customers, the expected use of our financial resources and the anticipated effects thereof on our business and operations, and the compliance of Kneat’s platform under regulatory audit and inspection. These and other assumptions, risks and uncertainties may cause Kneat’s actual results, performance, achievements and developments to differ materially from the results, performance, achievements or developments expressed or implied by forward-looking statements.

Material risks and uncertainties relating to our business are described under the headings “Cautionary Note Regarding Forward-Looking Statements and Information” and “Risk Factors” in our MD&A dated November 12th, 2025, under the heading “Risk Factors” in our Annual Information Form dated February 26, 2025 and in our other public documents filed with Canadian securities regulatory authorities, which are available at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking statements are provided to help readers understand management’s expectations as at the date of this release and may not be suitable for other purposes. Readers are cautioned not to place undue reliance on forward-looking statements. Kneat assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as expressly required by law. 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.

For further information:

Katie Keita, Kneat Investor Relations

P: + 1 902-706-9074

E: [katie.keita@kneat.com](mailto:katie.keita@kneat.com)

## Unaudited Condensed Interim Consolidated Statements of Income/(Loss) and Comprehensive Loss

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
	\$	\$	\$	\$
Revenue	16,109,403	12,762,074	46,262,153	35,204,809
<b>Cost of revenue</b>	<u>(3,908,258)</u>	<u>(2,991,384)</u>	<u>(11,509,212)</u>	<u>(8,807,493)</u>
<b>Gross profit</b>	12,201,145	9,770,690	34,752,941	26,397,316
<b>Expenses</b>				
Research and development	(5,745,453)	(3,915,509)	(16,146,615)	(12,722,947)
Sales and marketing	(5,724,143)	(3,934,685)	(16,970,562)	(12,334,854)
General and administrative	<u>(2,834,294)</u>	<u>(2,149,414)</u>	<u>(9,138,328)</u>	<u>(6,450,002)</u>
<b>Operating loss</b>	(2,102,745)	(228,918)	(7,502,564)	(5,110,487)
Finance expense	(846,438)	(892,318)	(2,612,529)	(2,630,674)
Interest income	84,482	172,005	434,174	380,079
Foreign exchange gain	<u>2,425,858</u>	<u>2,208,615</u>	<u>11,117,651</u>	<u>2,227,902</u>
<b>(Loss) income before income taxes</b>	(438,843)	1,259,384	1,436,732	(5,133,180)
Income tax expense	<u>(56,379)</u>	<u>(86,253)</u>	<u>(165,108)</u>	<u>(130,692)</u>
<b>Net (loss) income for the period</b>	(495,222)	1,173,131	1,271,624	(5,263,872)
<b>Other comprehensive loss</b>				
Foreign currency translation adjustment to presentation currency	<u>(1,181,832)</u>	<u>(1,363,967)</u>	<u>(5,014,124)</u>	<u>(1,598,137)</u>
<b>Comprehensive loss for the period</b>	<u>(1,677,054)</u>	<u>(190,836)</u>	<u>(3,742,500)</u>	<u>(6,862,009)</u>
<b>(Loss)/Earnings per share - Basic and diluted</b>	(0.01)	0.01	0.01	(0.06)
<b>Weighted-average number of common shares outstanding:</b>				
Basic	95,190,573	85,915,834	94,712,538	84,173,808
Diluted	95,190,573	90,156,630	98,299,883	84,173,808
<b>Reconciliation:</b>				
Net (loss) income for the period	(495,222)	1,173,131	1,271,624	(5,263,872)
Finance expense	846,438	892,318	2,612,529	2,630,674
Interest income	(84,482)	(172,005)	(434,174)	(380,079)
Income tax expense	56,379	86,253	165,108	130,692
Depreciation charge	197,324	189,272	556,043	570,889
Amortization of intangible assets charge	<u>3,278,058</u>	<u>2,126,011</u>	<u>9,280,439</u>	<u>6,649,072</u>
<b>EBITDA</b>	<b>3,798,495</b>	<b>4,294,980</b>	<b>13,451,569</b>	<b>4,337,376</b>
<b>Adjustments to EBITDA</b>				
Foreign exchange gain	(2,425,858)	(2,208,615)	(11,117,651)	(2,227,902)
Stock based compensation	<u>1,176,122</u>	<u>763,657</u>	<u>2,963,315</u>	<u>2,914,820</u>
<b>Adjusted EBITDA</b>	<b>2,548,759</b>	<b>2,850,022</b>	<b>5,297,233</b>	<b>5,024,294</b>

**kneat.com, inc.****Unaudited Condensed Interim Consolidated Statements of Financial Position**

	September 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	59,838,375	58,889,572
Amounts receivable	11,463,166	18,377,009
Prepayments	1,881,141	1,870,095
	<hr/>	<hr/>
	73,182,682	79,136,676
<b>Non-current assets</b>		
Amounts receivable	6,106,608	2,368,006
Property and equipment	7,891,836	6,782,179
Intangible asset	44,561,937	36,290,869
	<hr/>	<hr/>
<b>Total Assets</b>	131,743,063	124,577,730
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	10,965,277	8,580,104
Contract liabilities	24,544,381	21,631,416
Loan payable	6,865,950	4,116,723
Lease liabilities	388,327	434,096
	<hr/>	<hr/>
	42,763,935	34,762,339
<b>Non-current liabilities</b>		
Contract liabilities	—	33,393
Loan payable and accrued interest	15,989,293	19,038,203
Lease liabilities	6,756,221	5,671,952
	<hr/>	<hr/>
<b>Total Liabilities</b>	65,509,449	59,505,887
	<hr/>	<hr/>
<b>Equity</b>		
Shareholders' equity	66,233,614	65,071,843
	<hr/>	<hr/>
<b>Total Liabilities and Equity</b>	131,743,063	124,577,730
	<hr/>	<hr/>

**kneat.com, inc.****Unaudited Condensed Interim Consolidated Statement of Cash Flows**

	<b>Nine-month period ended September 30, 2025</b>	<b>Nine-month period ended September 30, 2024</b>
<b>Operating activities</b>	\$	\$
Net income (loss) for the period	1,271,624	(5,263,872)
Charges to income (loss) not involving cash:		
Depreciation of property and equipment	556,044	570,889
Share-based compensation	2,963,315	2,914,820
Interest expense	2,471,742	2,630,674
Tax expense	165,108	130,692
Amortization of the intangible asset	9,280,439	6,649,072
Amortization of loan issuance costs	140,787	121,237
Foreign exchange gain	(11,117,651)	(2,227,902)
(Decrease)/increase in non-current contract liabilities	(34,697)	20,795
Net change in non-cash operating working capital related to operations	9,608,538	5,343,945
<b>Net cash provided by operating activities</b>	<b><u>15,305,249</u></b>	<b><u>10,890,350</u></b>
<b>Financing activities</b>		
Proceeds received from public equity financing	-	20,000,110
Share issuance costs associated with public equity financing	-	(1,626,257)
Payment of principal and interest on loans payable	(4,970,576)	(1,896,196)
Proceeds from the exercise of stock options	1,274,072	1,698,366
Repayment of lease liabilities	(534,889)	(564,010)
<b>Net cash (used in)/provided by financing activities</b>	<b><u>(4,231,393)</u></b>	<b><u>17,612,013</u></b>
<b>Investing activities</b>		
Additions to the intangible asset	(16,358,709)	(14,794,310)
Additions to property and equipment	(186,316)	(104,354)
Collection of research and development tax credits	1,912,024	2,353,578
<b>Net cash used in investing activities</b>	<b><u>(14,633,001)</u></b>	<b><u>(12,545,086)</u></b>
<b>Effects of exchange rates on cash</b>	<b><u>4,507,948</u></b>	<b><u>471,261</u></b>
<b>Net change in cash during the period</b>	<b>948,803</b>	<b>16,428,538</b>
<b>Cash – Beginning of period</b>	<b><u>58,889,572</u></b>	<b><u>15,252,526</u></b>
<b>Cash – End of period</b>	<b><u>59,838,375</u></b>	<b><u>31,681,064</u></b>