



Kneat Announces Record Revenue for First Quarter 2026

LIMERICK, Ireland, May 13, 2026 – 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 months ended March 31, 2026. All dollar amounts are presented in Canadian dollars unless otherwise stated.

- Total revenue reaches \$18.0 million in the first quarter, an increase of 22% year over year
- Annual Recurring Revenue (ARR)¹ at March 31, 2026, reaches \$76.4 million, an increase of 20% year over year
- Gross profit growth accelerates for the second quarter in a row, reaching 28% year over year

“The first quarter of 2026 reflected consistent execution and continued validation of our strategy. As the life sciences industry continues its transition to fully digital validation, Kneat is well positioned to lead and benefit from this sustained growth. We deliver compelling customer value through enhanced quality assurance, improved efficiency, and faster time to market. These fundamentals reinforce our confidence in Kneat’s ability to consolidate its leadership and create durable, long-term value for shareholders. This confidence was further reinforced at the Kneat Validate user conference in April, where we received strong, positive feedback from key customers on recent product developments, including our thoughtful, native embedded AI capabilities.”

- Eddie Ryan, Chief Executive Officer of Kneat.

Q1 2026 Highlights

- Total revenues increased 22% to \$18.0 million in the first quarter of 2026, compared to \$14.7 million for the first quarter of 2025.
- First-quarter 2026 gross profit was \$14.0 million, up 28% from \$10.9 million in gross profit for the first quarter of 2025.
- Gross margin in the first quarter of 2026 was 78%, compared with 74% in the first quarter of 2025.
- Net loss for the first quarter of 2026 was \$3.9 million, compared with a net profit of \$2.1 million for the first quarter of 2025.
- EBITDA¹ in the first quarter of 2026 was \$0.8 million, compared with \$5.9 million for the first quarter of 2025.
- Adjusted EBITDA¹ in the first quarter of 2026 was \$2.7 million, compared with \$2.3 million for the first quarter of 2025.
- ARR¹ was \$76.4 million at March 31, 2026, an increase of 20% from \$63.5 million at March 31, 2025.

¹ 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. A reconciliation of EBITDA and Adjusted EBITDA to IFRS financial measures is provided in the financial statements accompanying this press release.

Recent Business Highlights

- In January 2026, Kneat announced that a European-headquartered biopharma solutions leader selected Kneat for digital validation, to be deployed initially for equipment validation at several of its manufacturing sites worldwide.
- In February 2026, Kneat announced that a US-headquartered global pharmaceutical packaging and drug delivery manufacturer selected Kneat to digitize its validation processes, commencing with Commissioning, Qualification and Validation at its lead site with subsequent expansion to additional GMP sites.
- In April 2026, Kneat announced that one of the largest Contract Development and Manufacturing Organizations (CDMO) in Europe, which operates more than two dozen production sites and manufactures thousands of products for the life sciences industry, chose Kneat to digitize its validation processes, beginning with equipment validation.
- In April 2026, Kneat saw record attendance at VALIDATE 2026, its annual event convening validation and quality professionals from around the world who are leading the transition to digital validation within their organizations. The world's premier conference for validation, the two-day event showcased the latest in digital validation. The conference underscored Kneat's alignment with the life sciences industry's needs, including AI capabilities, both those already in the platform and those in development, which continue to be guided by close customer collaboration and evolving industry requirements and technical capabilities.
- In April 2026, Kneat was awarded the top position in three of G2 Software Review's Pharma and Biotech Software categories. They were Leader in the Grid® Report for Pharma and Biotech; Leader in the Relationship Index for Pharma and Biotech; and Leader in the Mid-Market Grid® Report for Pharma and Biotech. This survey is based entirely on customer feedback and marks the third time in a row that Kneat has secured first position. It reflects Kneat's commitment to excellence across all divisions, from Engineering and Product through to Customer Success and Support.
- Also in April 2026, Kneat released its fifth annual State of Validation study. Informed by the largest number of respondents yet, more than 600 validation professionals around the world weighed in. The report underscored an outlook for sustained growth in digitalization. Key findings for 2026 include respondents reporting the largest uptick in workload demands in the history of the study; ROI meeting or exceeding expectations among nearly three-quarters of those digitizing validation; and the emergence of digital maturity as a prerequisite for responsible AI deployment in regulated environments.

"Kneat's financial position is healthy and our strength will grow from here. Kneat's sales pipeline is as strong as ever, its platform is the proven leading solution and the trend toward digitalization continues at pace."

- 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 first quarter of 2026 results and hold a Q&A session for analysts and investors via webcast on May 14, 2026, 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

Management uses both IFRS measures and non-IFRS financial measures as key performance indicators when planning, monitoring and evaluating the Company's performance. These supplementary and non-GAAP measures have no meaning under IFRS and therefore amounts presented may not be comparable to similar data presented by other companies operating in a similar industry as the Company. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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. Management believes this measure, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company's operating results and underlying performance in a manner similar to management. Although EBITDA is frequently used by securities analysts, lenders, and others in their evaluation of companies, it has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under IFRS. 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 (loss) and stock-based compensation expense. We provide and use this non-IFRS measure of our operating performance to highlight trends in our core business and as an indicator of our core operational profitability that may not otherwise be apparent when relying solely on IFRS financial measures and also to inform financial comparisons with other companies. Management believes this measure, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company's operating results and underlying performance in a manner similar to management. Although Adjusted EBITDA is frequently used by securities analysts, lenders, and others in their evaluation of companies, it has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under IFRS. 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. Optional AI capabilities within Kneat Gx accelerate the validation lifecycle, from content generation to review and analysis, while maintaining full GxP compliance, governance, and data integrity. 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.

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 the business and operations of the company, 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 May 13, 2026, under the heading “Risk Factors” in our Annual Information Form dated February 25, 2026 and in our other public documents filed with Canadian securities regulatory authorities, which are available at 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:

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kneat.com, inc.**Unaudited Condensed Interim Consolidated Statements of (Loss)/Income and Comprehensive (Loss)/Income***(expressed in Canadian dollars)*

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
Revenue	18,002,189	14,747,641
Cost of revenue	<u>(4,046,105)</u>	<u>(3,823,145)</u>
Gross profit	13,956,084	10,924,496
Expenses		
Research and development	(6,935,407)	(4,698,665)
Sales and marketing	(5,991,851)	(5,116,477)
General and administrative	<u>(3,356,916)</u>	<u>(2,511,629)</u>
Operating loss	(2,328,090)	(1,402,275)
Finance expense	(745,337)	(888,545)
Interest income	76,703	198,639
Foreign exchange (loss)/gain	<u>(858,089)</u>	<u>4,262,600</u>
(Loss)/income before income taxes	(3,854,813)	2,170,419
Income tax expense	<u>(90,970)</u>	<u>(24,430)</u>
Net (loss)/income for the period	(3,945,783)	2,145,989
Other comprehensive income/(loss)		
Foreign currency translation adjustment to presentation currency	<u>577,328</u>	<u>(1,998,521)</u>
Comprehensive (loss)/income for the period	<u>(3,368,455)</u>	<u>147,468</u>
(Loss)/earnings per share - Basic & diluted	(0.04)	0.02
Weighted-average number of common shares outstanding:		
Basic	95,797,803	94,221,072
Diluted	95,797,803	97,738,261
Reconciliation:		
Net (loss)/income for the period	(3,945,783)	2,145,989
Finance expense	745,337	888,545
Interest income	(76,703)	(198,639)
Income tax expense	90,970	24,430
Depreciation expense	189,710	177,001
Amortization of intangible assets expense	<u>3,749,571</u>	<u>2,846,747</u>
EBITDA	753,102	5,884,073
Adjustments to EBITDA		
Foreign exchange loss/(gain)	858,089	(4,262,600)
Stock based compensation	<u>1,062,163</u>	<u>697,019</u>
Adjusted EBITDA	2,673,354	2,318,492

kneat.com, inc.**Unaudited Condensed Interim Consolidated Statements of Financial Position***(expressed in Canadian dollars)*

	March 31, 2026	December 31, 2025
	\$	\$
Assets		
Current assets		
Cash	51,522,637	48,742,766
Amounts receivable	26,928,043	15,106,191
Prepayments	2,151,044	1,794,465
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	80,601,724	65,643,422
Non-current assets		
Amounts receivable	4,032,199	2,716,981
Property and equipment	7,461,141	7,668,514
Intangible asset	46,343,031	45,732,862
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Total Assets	138,438,095	121,761,779
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,220,651	9,353,846
Contract liabilities	39,075,578	18,901,645
Loan payable	8,314,332	7,482,780
Lease liabilities	385,735	385,226
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	56,996,296	36,123,497
Non-current liabilities		
Contract liabilities	282,328	-
Lease liabilities	6,413,738	6,553,199
Loan payable and accrued interest	11,652,785	14,064,053
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Total Liabilities	75,345,147	56,740,749
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Equity		
Shareholders' equity	63,092,948	65,021,030
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Total Liabilities and Equity	138,438,095	121,761,779
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kneat.com, inc.**Unaudited Condensed Interim Consolidated Statement of Cash Flows***(expressed in Canadian dollars)*

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Operating activities	\$	\$
Net (loss)/income for the period	(3,945,783)	2,145,989
Charges to (loss)/income not involving cash:		
Depreciation of property and equipment	189,710	177,001
Share-based compensation	1,062,163	697,019
Interest expense	702,338	842,563
Tax expense	90,970	24,430
Amortization of the intangible asset	3,749,571	2,846,747
Amortization of loan issuance costs	42,999	45,982
Foreign exchange loss/(gain)	858,089	(4,262,600)
Increase in non-current contract liabilities	277,840	7,553
Net change in non-cash operating working capital related to operations	4,478,347	14,951,929
Net cash provided by operating activities	7,506,244	17,476,613
Financing activities		
Payment of principal and interest on loans payable	(2,139,909)	(1,348,282)
Proceeds from the exercise of stock options	12,724	774,591
Repayment of lease liabilities	(147,360)	(192,894)
Net cash used in financing activities	(2,274,545)	(766,585)
Investing activities		
Additions to the intangible asset	(5,575,717)	(5,157,268)
Collection of research and development tax credits	3,166,542	1,850,702
Additions to property and equipment	(29,085)	(62,917)
Net cash used in investing activities	(2,438,260)	(3,369,483)
Effects of exchange rates on cash	(13,568)	1,902,261
Net change in cash during the period	2,779,871	15,242,806
Cash - Beginning of period	48,742,766	58,889,572
Cash - End of period	51,522,637	74,132,378