

Kneat Reports Third Quarter Results

HALIFAX, Nov. 27, 2018 /CNW/ - kneat.com, inc. (TSXV: KSI) ("Kneat") today announced its third quarter financial results for the period ended September 30, 2018. All dollar amounts are presented in Canadian dollars unless otherwise stated.

Third Quarter Highlights

- Revenue increased by 90% for the three months ended September 30, 2018 as compared to the same period in 2017. Year to date September 30, 2018 revenues are up 144% over the nine-month period ended September 30, 2017.
- During the third quarter, Kneat announced two new multinational pharmaceutical customer wins. These customers have in excess of 140 manufacturing sites, bringing our total potential install base with signed customers to over 200 sites. This represents a revenue and growth opportunity for Kneat license sales moving forward.
- Two of Kneat's customers scaled the platform to additional users and multiple new processes during the quarter. One of these customers was newly signed in February 2018 and expanded shortly after a successful deployment.
- Kneat's Software as a Service ("SaaS") platform continues to gain traction with an increasing number of users and signed customers.
- New functionality and enhancements were added to the Kneat platform, enabling further benefits for our customers.
- Kneat's expanding customer service team is delivering customer go-live dates within the target timeline of five to six months.
- Thorough audits were successfully completed during the quarter by two of our recently signed customers, demonstrating our ability to meet the quality standards of leading companies in the life sciences industry.

Chief Executive Officer Commentary

"Throughout the third quarter, Kneat continued to deliver on its 2018 objectives by securing new customers, deploying within target timelines, supporting current customers through scaling, and building our sales pipeline," said Eddie Ryan, Chief Executive Officer of Kneat. "Our development team is delivering high quality, innovative software, which allows us to introduce new functionality to our customers and address more needs in the market. In the fourth quarter we will continue to work towards go-live dates for a number of customers and invest in our team to support our customer base and growth plans for 2019."

Financial Results Summary

Kneat generated revenue of \$248,666 for the third quarter, compared to \$130,667 in the third quarter of 2017. This increase is driven by an increase in both SaaS and on-premise licenses and reflects the scaling of Kneat's platform within its customer base. Due to the implementation phase required for deploying our software, revenues for new customers are recognized on the go-live date, which is typically five to six months following the announcement of a new customer win.

Net loss for the third quarter of 2018 was \$1,939,738, an increase in net loss of \$798,758 for the same period in 2017. This was driven by higher non-cash amortization of the intangible asset of \$92,761, higher non-cash unrealized foreign exchange loss of \$282,599 and higher administrative costs of \$541,625, associated with an increase in headcount across sales, customer support, marketing and quality assurance teams.

During the third quarter, Kneat also invested \$860,975 (2017 - \$571,589) in further development of the Kneat Gx platform, its intangible asset, by adding functionality and enhancements.

This press release should be read in conjunction with the interim unaudited condensed interim consolidated financial statements and management's discussion and analysis for the three and nine-month periods ended September 30, 2018 which have been filed on SEDAR at www.sedar.com and Kneat's website at www.kneat.com.

About Kneat

Kneat develops and markets the next generation Kneat Gx software platform. Multiple business processes can be configured on the platform from equipment to computer system 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/ Eudralex Annex 11 compliant platform. Macro and micro report dashboards enable powerful oversight into all systems, projects and processes world wide. 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.

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 its customers, Kneat's business development activities, the use of Kneat's software within its customers' validation processes, the ability to scale the use of Kneat's software within its customers' organizations 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 investors' own risk.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Kneat.com

View original content: <http://www.newswire.ca/en/releases/archive/November2018/27/c5945.html>

%SEDAR: 00035616E

For further information: Sarah Oliver, Chief Financial Officer, kneat.com, inc., 2001-1969 Upper Water Street, Halifax, NS, B3J 3R7, T: +353 61 203826, E: info@kneat.com

CO: Kneat.com

CNW 20:19e 27-NOV-18