Kinatico

H1 FY23 Results Webinar

Powering insights for better, safer workplaces

Michael Ivanchenko, CEO, Kinatico

Geoff Hoffmann, CRO, Kinatico

2 March, 2023

Authorised by the Kinatico Disclosure Committee

• Recognition of country

Kinatico acknowledges the Traditional Owners of the land on which we meet and work throughout Australia and New Zealand. We recognise Aboriginal and Torres Strait Islander peoples' continuing connection to land, place, waters and community. Kinatico recognises the unique role of Māori as Tangata Whenua and embraces Te Tiriti o Waitangi recognising Māori as tino rangitiratanga of Aotearoa/New Zealand while embracing the three guiding principles of the Treaty – Partnership Participation and Protection.

We pay our respects to their cultures, country and elders past present and emerging and will endeavour to implement bicultural policies and practices that incorporate and value cultural concepts and values.

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Presenters

Michael Ivanchenko

Chief Executive Officer

- Driving change across highly regulated industries by building a strong and committed team to harness the potential of Kinatico's solutions
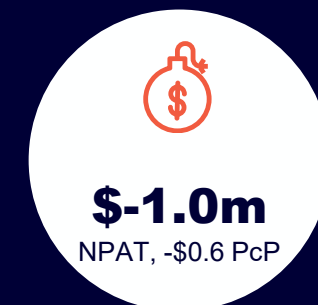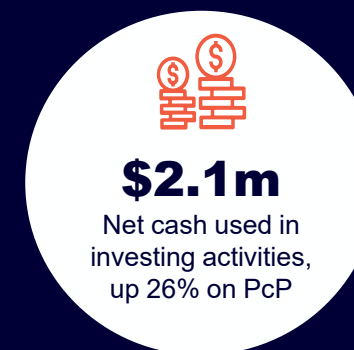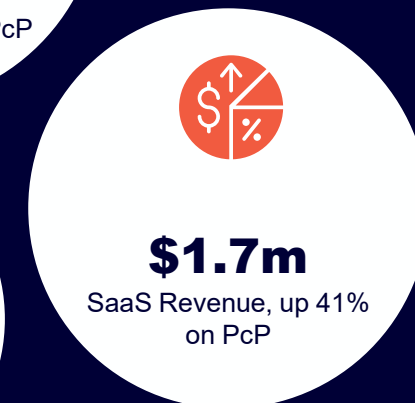
Geoff Hoffmann

Chief Revenue Officer

- Leading the Operations, Sales and Marketing functions of the Kinatico business, Geoff is responsible for embedding a customer first outlook across the business.

Financial Statement Highlights

For the half-year ended 31 December 2022

✓ Consolidated Revenue - $13.6m (PcP $12.8m)

✓ Saas Revenue - $1.7m (PcP $1.2m)

✓ Gross profit (revenue less direct third party cost of sales) - $8.8m (PcP $8.2m)

✓ NPAT - $-1.0m (PcP $-0.6m)

✓ Cash and cash equivalents - $10.5m (PcP $12.2m)

✓ Net cashflow from operations - $0.9m (PcP $1.2m)

✓ Net cash used in investing activities - $2.1m (PcP $1.7m)

✓ No Debt

$10.5m
Cash and cash equivalents, down 14% on PcP

$13.6m
Revenue up 6% on PcP

$1.7m
SaaS Revenue, up 41% on PcP

$8.8m
Gross Profit, up 7% on PcP

$0.9m
Net cashflow from Operations, down 23%

$2.1m
Net cash used in investing activities, up 26% on PcP

$-1.0m
NPAT, -$0.6 PcP

Successful Execution

CGIS "Continue to Grow and Innovate at Scale"

8%	Improvement in the underlying NPAT performance.
$3.9M	Annualised SaaS revenue as at 31 December 2022 , up 63%.
92%	Growth in volume of SaaS billed customers.
45%	Positive Growth in Australian based "Other background screening services".
12%	Increase in number of checks per order.
6%	Increase in the value per order received through the CVCheck Australian product.
30%	Increase in CVCheck product third-party integration revenue.
1%	Gross margin improvement.
25%	Increase in Sales headcount to drive growth.
19%	Reduction in overall headcount in the H1FY23 period.
$1.1M	Expected future annualised savings in resource costs through automation and business process improvements.

Half year ended 31 December 2022
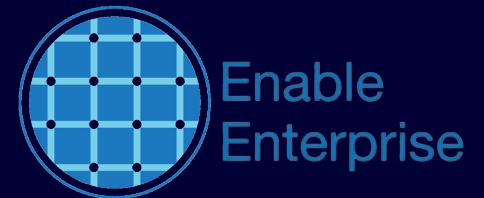
Against Prior Corresponding Period (PcP), unless others stated.

Kinatico

An Aggregator of Regulatory Technology

Simplifying end-to-end workforce compliance
management for YOUR organisation

Growth of SaaS from recurring value to organisations

Leveraging the strong CVCheck product's 80% returning customer base to move from point in time certification and screening to daily compliance monitoring.

Solving organisational problems in maintaining compliance

- ✓ Entry to the workforce
- ✓ Conforming to regulatory requirements
- ✓ Conforming internal policy and procedure
- ✓ Efficient digital capture of compliance requirements
- ✓ Instant visibility of compliance status
- ✓ Automated and secure communication of compliance requirements between organisations and individuals
- ✓ Integrations with other key systems and platforms e.g. payroll

Examples of Compliance Requirements

- ✓ Health and Safety in multiple contexts
- ✓ ESG reporting
- ✓ Employee work rights and/or visa status
- ✓ Cybersecurity and phishing training
- ✓ Anti-harassment training
- ✓ Confirmation of completion, daily compliance tasks such as shift start, equipment certification and task specific compliance such as safety checks and procedural compliance
- ✓ Credential currency management

Critical Infrastructure Act requirements

Aged Care Quality and Safety Act requirements

The market for Kinatico compliance solutions

The right solution for a current and increasing market

A smarter, simpler way to manage compliance

✓ The global RegTech market is expected to grow from $9.7 billion in 2021 to $22 billion in 2026. [1]

✓ The RegTech cloud market is expected to be the fastest-growing market in RegTech at a CAGR of 20.3% during 2021-2026 period. [1]

✓ The non-financial segment is expected to be the fastest-growing segment in RegTech, going forward at a CAGR of 19.2% during 2021-2026 period. [1]

"Where achieving compliance used to be more almost binary: apply the rule, meet the requirement, there is a trend towards a fundamentally different way of thinking about regulation. Digitisation in compliance is not only measured in efficiency gains but also in decreasing risk exposure"
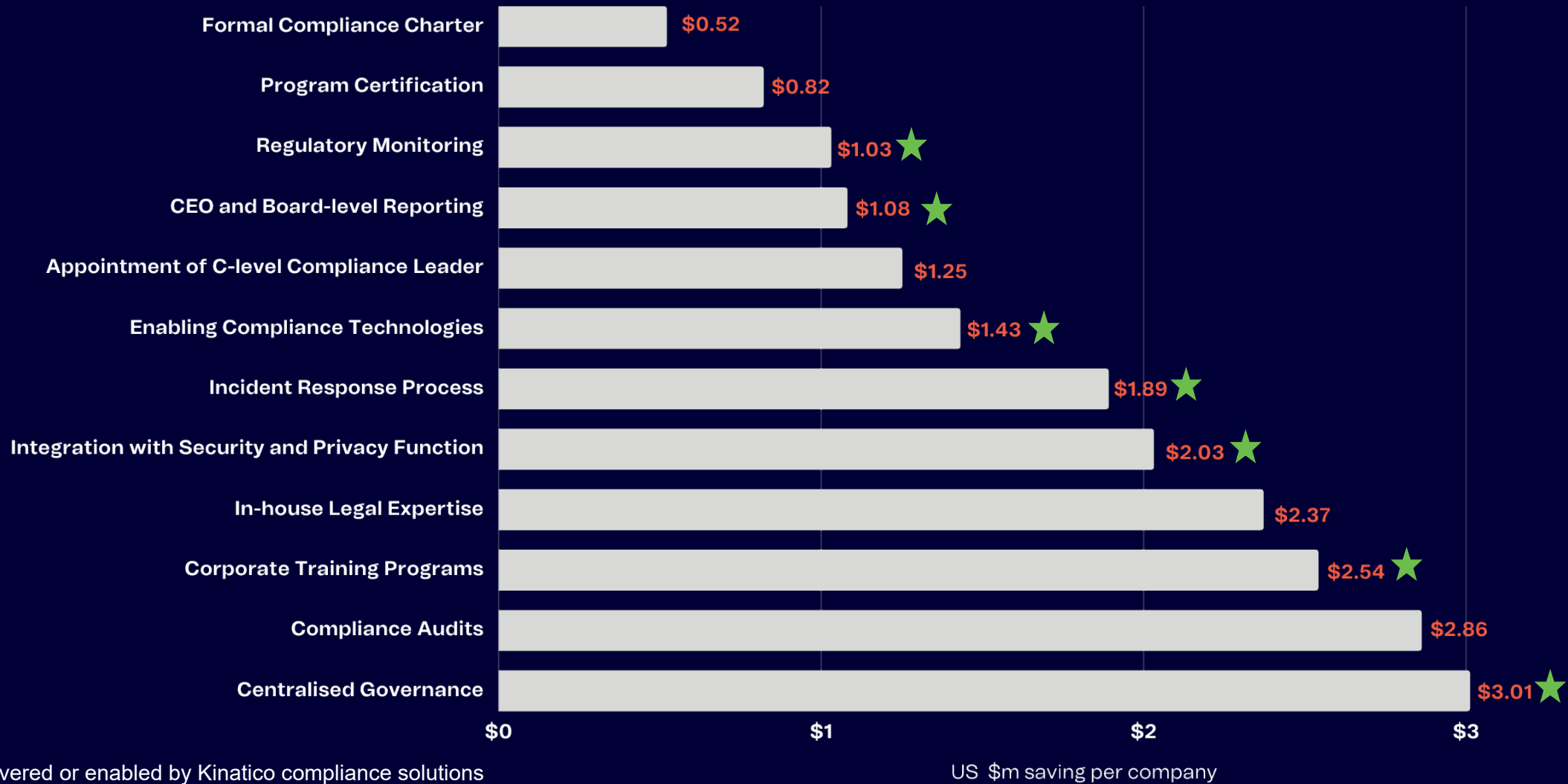- Eugenie Casier (GRC Director, Clausematch)

Industry Example:

Australian Government 4 Star Ratings for residential aged care

❖ **Compliance – based on non-compliance decisions made by the Aged Care Quality and Safety Commission reported daily.**

❖ Staffing minutes

❖ Quality Measures

❖ Residents' Experience

[1] **RegTech Global Market Opportunities And Strategies To 2031**

Risk mitigation is primary but not introducing cost overhead is necessary

Top 12 initiatives to reduce compliance costs

Initiative	US $m saving per company
Formal Compliance Charter	$0.52
Program Certification	$0.82
Regulatory Monitoring ★	$1.03
CEO and Board-level Reporting ★	$1.08
Appointment of C-level Compliance Leader	$1.25
Enabling Compliance Technologies ★	$1.43
Incident Response Process ★	$1.89
Integration with Security and Privacy Function ★	$2.03
In-house Legal Expertise	$2.37
Corporate Training Programs ★	$2.54
Compliance Audits	$2.86
Centralised Governance ★	$3.01

★ Delivered or enabled by Kinatico compliance solutions

US $m saving per company

# Customer Centricity + Compliance Simplicity = Kinatico

Our technology helps organisations to *know their people*

- ✓ Already battling a national staffing crisis, organisations cannot afford to waste unnecessary time on highly manual processes. Kinatico is there to support the end-to-end employment lifecycle in all aspects of compliance.

- ✓ Market insights have shown, organisations are looking for daily simplification and ease of access to necessary employee compliance data.

- ✓ Our expertise and industry experience has driven our technologies to protect businesses and the people within them, while slashing the time spent on compliance monitoring, allowing organisations to focus on the overwhelming challenges facing them.

- ✓ Kinatico's compliance tools are integrated with millions of employees across the ANZ region every day, managing the full range of compliance requirements from the simple to the complex.

The Kinatico Customer Journey

Streamlining the onboarding process and ensuring ongoing compliance
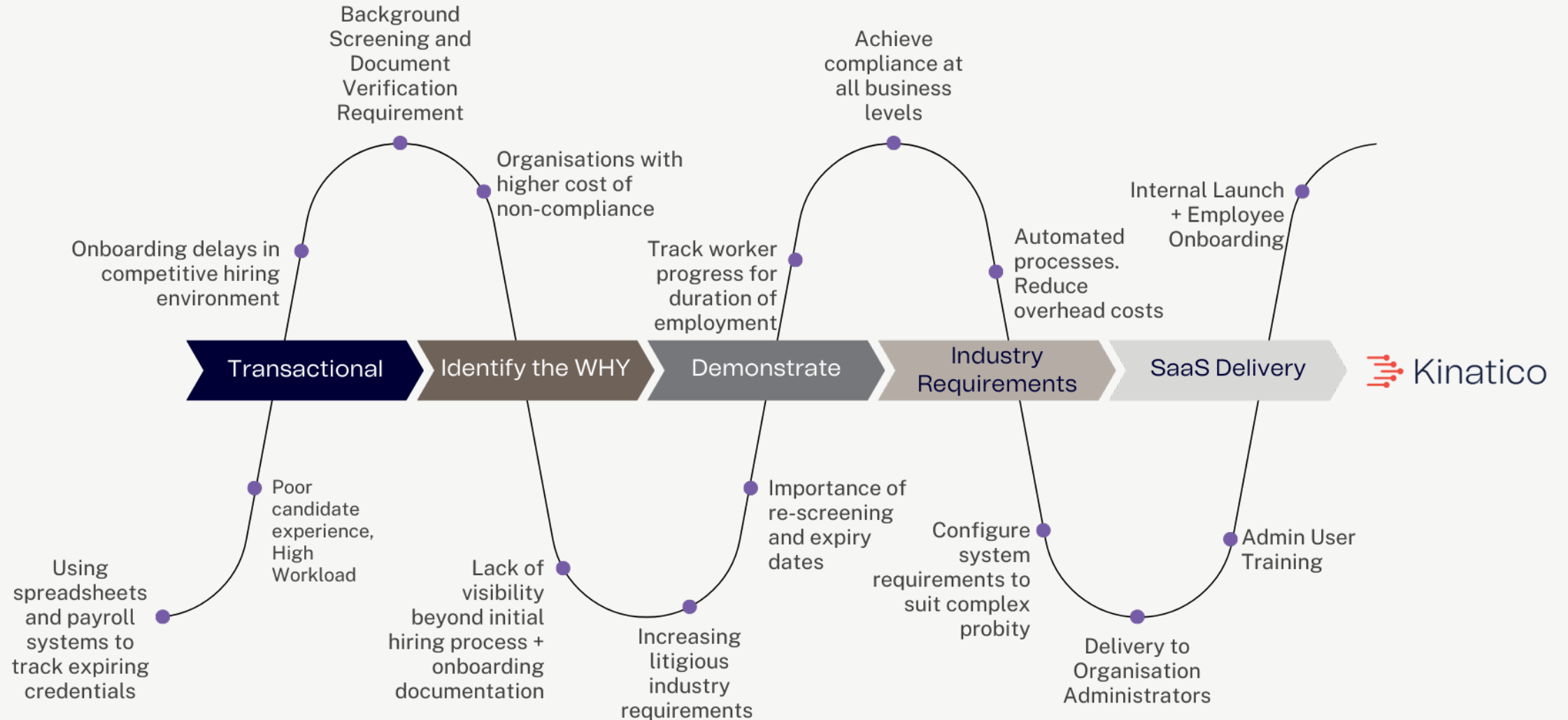
Kinatico Compliance Solutions are Resonating Across Many Industries

Industry	Won	Conversion Rate
Medical / HealthCare	27	77%
Disability/Aged Care/NFP	5	56%
Mining	23	85%
Civil Engineering/Construction	11	58%
Government	10	56%
Employment Services	9	53%
Information Technology	10	67%
Education	10	77%
Finance	4	40%
Professional Services	7	70%
Energy/Utilities	2	22%

- Understanding the need and demand across industries due to regulatory and government demand increasing

- "Kinaticans" becoming educators and trusted advisors due to multiple market demands. Organisations looking for solutions across sectors (Kinatico is agnostic in compliance across all sectors)

- Customer demand in compliance is exponential across all segments

H1 FY2023

Customer Snapshot - Australian Aged and Disability Care Providers

Managing their compliance with Kinatico.

National Disability Services provider

Initially a CVCheck product customer processing individual checks as required. Today, Aruma have all the checks they need packaged neatly in a registration package that is perfectly aligned with state-based regulatory requirements.
Their small team of 12 can now easily manage a higher candidate workload, assigning packages and tracking their compliance with ease.

- ✓ Automatically update as items are completed toward a compliant registrant
- ✓ Q1FY23 conversion to Cited
- ✓ Transitioned from pre-employment screening to full workforce compliance monitoring
- ✓ ~$18,000/month SaaS revenue

Digitized workflow

Automated Registration

Higher Volume
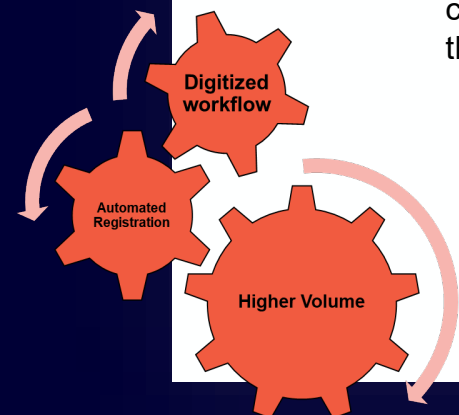
NDIS Support Worker Provider

Hireup is an Australian based tech company, connecting support workers to people with disabilities. Hireup required a solution to integrate with their platform, improve support worker onboarding and ensure their customers were receiving support as soon as needed. With Kinatico, Hireup can guarantee their customers are in the hands of safe and compliant support workers.
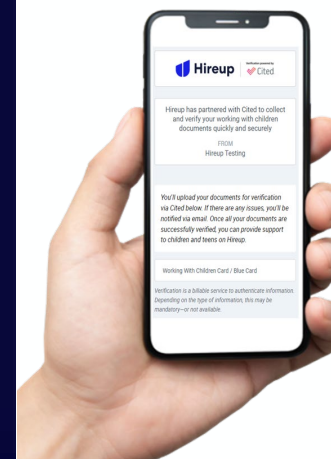
- ✓ Cited live throughout Hireup
- ✓ Integrated solution between Cited and the Hireup platform
- ✓ 8,000+ Hireup employees with access to Cited
- ✓ ~$55,000/month SaaS revenue

● Our Customer-First Approach

Slashing the time organisations spend on compliance monitoring, giving them time to focus on the overwhelming challenges facing them in 2023.

Instant visibility of your entire workforce's compliance status right from your desktop

No more people on site with lapsed credentials

Daily capture of your site specific requirements

More time back to you. Automated reminders and validity tracking so you don't have to.

Interfaces available to third party systems

We'll help you ensure all your aged care workers are compliant and your focus is on doing the work you enjoy.

With us, you can confidently manage your entire compliance including contractors.

Automated reminders, expiry alerts and live dashboards giving you time to focus on care .

Let us *free your time.*

AMANA LIVING

Just Better Care

BaptistCare

Living my way.

Anglicare TASMANIA

St Jude's Health Care Services

People Who Care

HOME CARE ASSISTANCE

ACHIEVE INDEPENDENCE OCCUPATIONAL THERAPY

Blossom Care AUSTRALIA PTY LTD

Join the aged care providers across Australia already managing their compliance with us.

LET'S CHAT

Imagine a world where you no longer have to worry if your workforce is compliant, today.

Delivering industry specific campaigns through data driven marketing and sales activities

Chasing the compliance status of your people isn't what your role was meant for.

Let's talk about freeing your time.

80%
of a managers week is spent on admin checking and maintaining the compliance of their workforce.

Discover how you can free your time

Kinatico

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