



Quarterly Webinar | Q3 FY24

Simplifying the process of managing daily compliance for organisations

ASX: KYP

April 2024



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• **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 rangatiratanga 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.



• Introduction

Because an active workforce is a valuable workforce and Kinatico ensures organisations can deploy their teams with confidence by providing surefire, company-wide, compliance at a glance without the administration getting in the way.

There's no better suite of connected, end-to-end compliance services in the world.



Speakers

Craig Sharp, General Counsel and Company Secretary

Michael Ivanchenko, Chief Executive Officer

Jason Margach, Chief Financial Officer

Geoff Hoffmann, Chief Revenue Officer



• Solving the Problem of Increasing Compliance Management Administrative Burden

- Australia's leading screening and verification business now evolved into a provider of simplified compliance management.
- ISO 27001 Certified. Just renewed.
- Simplified compliance launched July 2022.
- Existing client base of over 10,000 AUS/NZ businesses providing the base of a strong sales pipeline.
- Since launch SaaS revenue has grown by more than 300%. Now over \$10m annualised.
- Gross margin has increased from 64% to 68%. Driving towards higher SaaS margins.
- Continue to drive incremental SaaS growth.
- Profitable.



• Kinatico Strategy

CVCheck

- Brings new businesses into the pipeline.
- Extensive back to source digital interfaces.
- Maintained into the future primarily as an acquisition tool but relevance for revenue reduces.

Compliance

- Drives value to businesses through administrative efficiency and accurate visibility.
- Reduces cost of acquisition.
- The trusted aggregator of all compliance information in a business.
- Secure, automated communications between workers and organisations.
- Embedded into daily operations. Highly resistant to churn.
- Integrated with multiple enterprise systems and increasing.
- Aggregates enterprise platforms, doesn't compete with them.

Compliance Management

Credential Validation

Relative Market Size

Phase 1

- Launch of simplified compliance management.

Phase 2

- Confirm Market demand.
- Commence deployment.
- Refine market offering.

Phase 3

- Accelerate growth.
- Increase revenue per customer with new features.
- Increase new sales wins.

Phase 4

- Publish API's to allow a marketplace of compliance vendor solutions feeding a wholistic aggregated view.
- International expansion.



Financial Highlights Q3 FY24

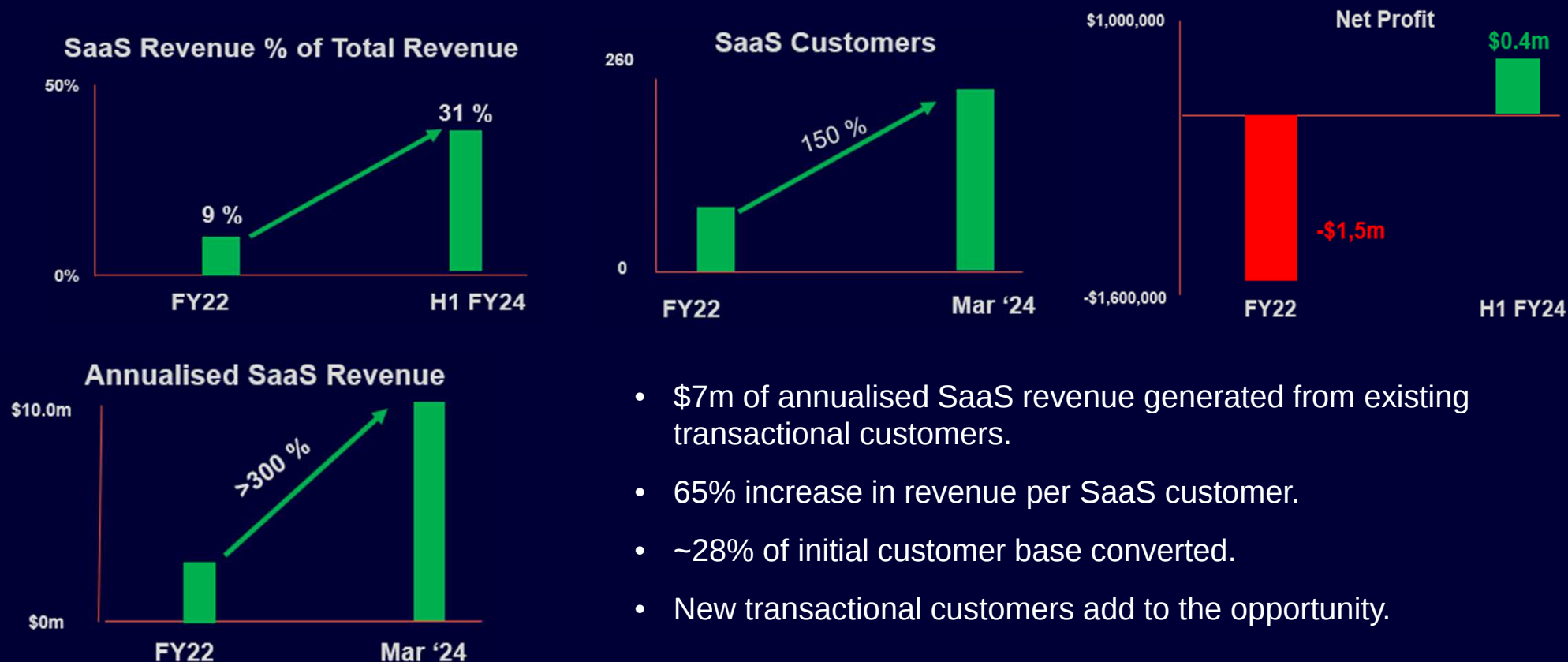
Unaudited

- ✓ Consolidated Revenue - \$7.0m
- ✓ SaaS Revenue - \$2.5m
- ✓ SaaS Revenue as a % of Total Revenue – 36%
- ✓ EBITDA - \$0.8m
- ✓ NPAT- \$0.1m
- ✓ Cash and cash equivalents - \$8.8m
- ✓ Current Ratio - 2.0
- ✓ Positive cashflow from operations - \$0.6m
- ✓ Net cash used in investing activities - \$0.7m
- ✓ No Debt



● Kinatico's Financial Transformation

From inception of the simplified compliance Launch Q1FY23



- \$7m of annualised SaaS revenue generated from existing transactional customers.
- 65% increase in revenue per SaaS customer.
- ~28% of initial customer base converted.
- New transactional customers add to the opportunity.



• The Opportunity Across Healthcare, Industrial and Education

We are at the start of the opportunity with our primary targets



Healthcare Industry

- Predicted Spending on Admin and compliance each year for the next 3 years².
 - **\$3,600M.**



Industrials

- Woodside spent \$300m in compliance and infrastructure improvement FY 22-23³.
- \$35m in penalties imposed on compliance breaches in 21-22³.



Education Industry

- General Administration Expenses:
 - 21-22: \$358 million.
 - 23-24 Projection: \$374 million.
- Compliance Costs per institution:
 - \$1.3 million per year.

Kinatico Sector Revenue H1 FY24

\$3.22M

- Aged Care Regulatory Reform
- The Security of Critical Infrastructure Act

Kinatico Sector Revenue H1 FY24

\$4.04M

- The Security of Critical Infrastructure Act
- Changes under Fair Work Act

Kinatico Sector Revenue H1 FY24

\$540K

- Education and Care Services National Amendment Regulations (No. 4) 2023



Data Sources: ¹ <https://www.ibisworld.com/au/market-size/education-training/>

² <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure>

³ <https://www.industry.gov.au/news/australias-resource-and-energy-exports-forecast-reach-450-billion>

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- **Product Market Fit - Achieved**

Our solutions help organisations achieve a 99% compliance rate

Driving Industry Force

Legislative obligations and increasing regulatory requirement.

Key Operational Requirement

Kinatico solutions are now part of the core operational process across aged and disability care organisations across Australia.

Mitigating Risk at Board and Executive Level

Reducing the risk of non-compliance at board level when ESG requirements are not met.



Baptcare

"99% employee compliance achieved! 6 months + 1 week after launching with Kinatico with a starting point of 91.7%, employee compliance has just hit 99.0% for the first time"

- Craig Smith, Head of Workforce, Compensation and People Systems, Baptcare



GEOFF HOFFMANN, CHIEF REVENUE OFFICER

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- **Being Customer Led**
Customer Led Capabilities

Market Research

Annual market research work commissioned to an external agency to monitor customer and prospect sentiment, trends and needs of the market.

NPS Measurements and Reporting

Ongoing cross-departmental roll-out of voice of customer research results to wider organisation and in detail to align product development to customer voice.

Kinatico NPS Score

Industry Average 55

66.5



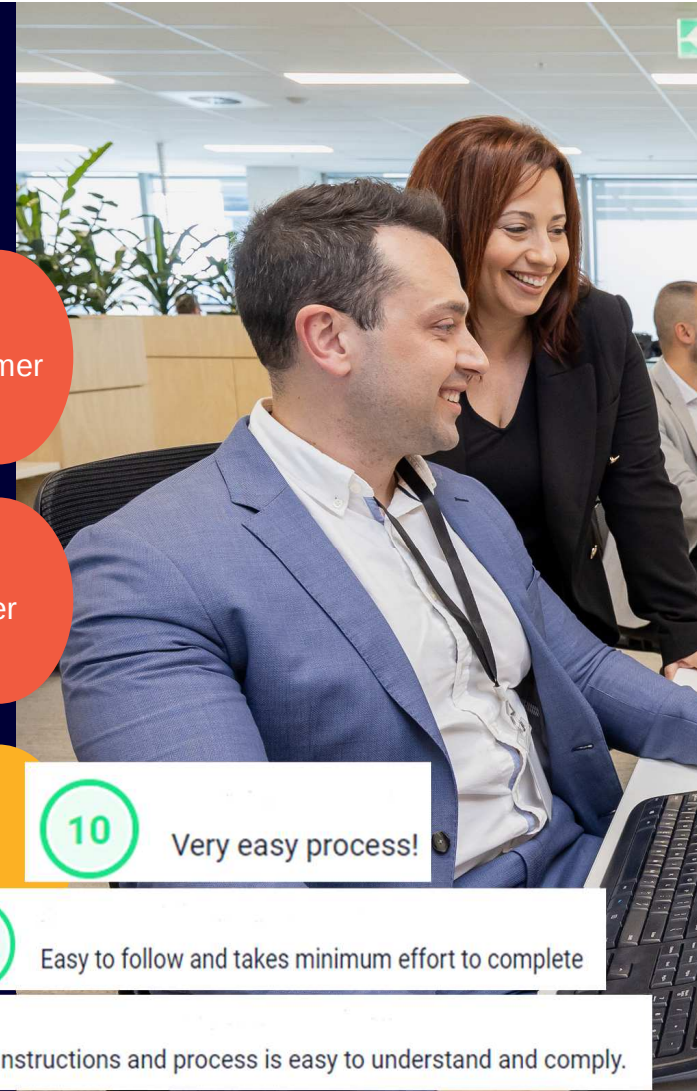
Very easy process!



Easy to follow and takes minimum effort to complete



Instructions and process is easy to understand and comply.



- **FY24 Contract Win Highlights (previously announced)**
Adding >\$3m annualised SaaS Revenue



Australian Government
Department of Health and Aged Care



- **Contract Renewal**

BHP

Term	3 Years
Contract Value	> \$5 million
Type	SaaS
Scope	Commercial in confidence



• Questions and Answers

Please submit your questions through the Zoom
webinar chat box





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