

Kinatico Limited Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER

2023

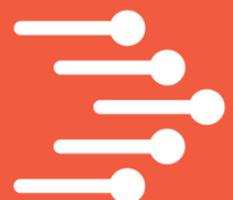


Recognition of country

Kinatico acknowledges the Traditional Owners of the land on which we 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.



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Company Directory

AUSTRALIAN COMPANY NUMBER

111 728 842

Kinatico Limited is a Public Company,
domiciled in Australia.

BOARD OF DIRECTORS

NON EXECUTIVE:

Ivan Gustavino	Non-Executive Chairman
George Cameron-Dow	Non-Executive Director
Oliver Stewart	Non-Executive Director
Jonathan Birman	Non-Executive Director
Georg Chmiel	Non-Executive Director (appointed 19 September 2023)

WEBSITE

www.kinatico.com

REGISTERED OFFICE

Level 4,
999 Hay Street,
Perth, WA, 6000 Australia
Telephone (+61) 8 9388 3000

SECURITIES QUOTED

Australian Securities Exchange
418,591,984 - Ordinary Fully Paid Shares
(Code: KYP)

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace,
Perth, WA, 6000 Australia

AUDITOR

RSM Australia Partners
Level 32, Exchange Tower,
2 The Esplanade,
Perth, WA, 6000 Australia

SOLICITOR

Steinepreis Paganin
Level 4, 16 Milligan St,
The Read Buildings,
Perth, WA, 6000 Australia



 **Our Solution**

We are simplifying the complexity of organisational compliance through user-friendly, end-to-end SaaS solutions.

 **Your Story**

An active workforce is a valuable workforce. Kinatico ensures you can deploy your team with confidence by providing sure-fire, company-wide compliance at a glance. There's no better suite of connected, end-to-end compliance services in the world.

- Insights across your organisation
- Visibility to act
- Compliance you can count on

Know your people (ASX:KYP)

Directors' Report

The Directors of Kinatico Limited ("Kinatico" or "the Company") and its controlled entities ("the Group") are pleased to present their Directors' Report together with the interim consolidated financial statements of the Group for the half year ended 31 December 2023.

Principal Activity

The principal activities of the Group during the reporting period were the provision of simplified compliance solutions provided through a Software-as-a-Service delivery model.

The know your people solutions provided by Kinatico enable simplified compliance management and best-of-breed employment verification and screening, delivered across a diverse range of industries and geographic locations. The Company offers a range of solutions:

- CVCheck™ is the preeminent brand for digital screening and verification services in Australia and New Zealand.
- Cited™ is Kinatico's current cloud-based service for simplified workforce compliance management.
- OnCite™ is a native mobile application available in iOS and Android, that allows workers to manage their own compliance daily, control their own credentials, and share that information with trust through a closed, secure channel.
- Enable provides workforce management and logistics software tailored for the resources sector.

Collectively, this product suite allows organisations to monitor and manage compliance of their workforce with simplicity.

The Group's primary market is Australia and New Zealand.



\$4.4m

SaaS Revenue
↑ 159% pcp



\$0.4m

Net Profit
\$1.0m loss pcp



\$14.3m

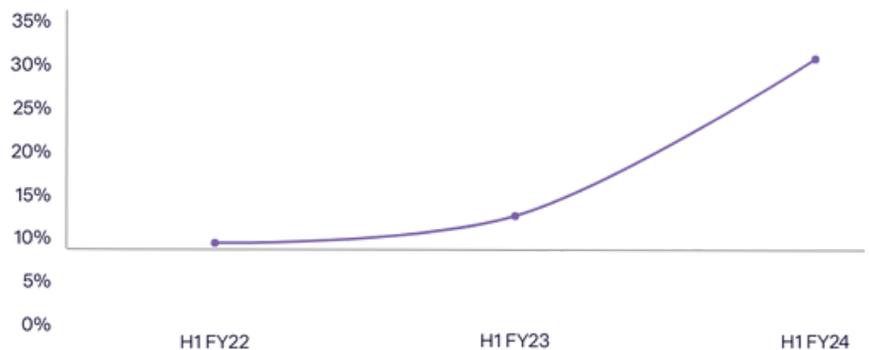
Total Revenue
↑ 6% pcp

Review of Operations and Financial Performance

H1 FY24 Financial Highlights Continuing the Transformation

The ongoing establishment of Kinatico as the leader in simplified workforce compliance has resulted in Software-as-a-Service (“SaaS”) revenue growth to \$4.4m, up 159% on the first half of the previous financial period (prior corresponding period or “pcp”) and representing 31% of total revenue (pcp 12%).

This growth has been driven by not only the migration of long-term transactional customers to full lifecycle compliance contracts, but an increasing percentage of new customers entering into SaaS agreements to simplify their daily burden of compliance management.



SaaS as a Percentage of Revenue

It is also worth highlighting the total revenue for the half of \$14.3m (H1 FY23: \$13.6m), which is 6% up on pcp and the highest in the company’s history.



0.09 cents

Earnings Per Share
0.23 cents loss
per share pcp



\$1.9m

EBITDA
↑ 390% pcp



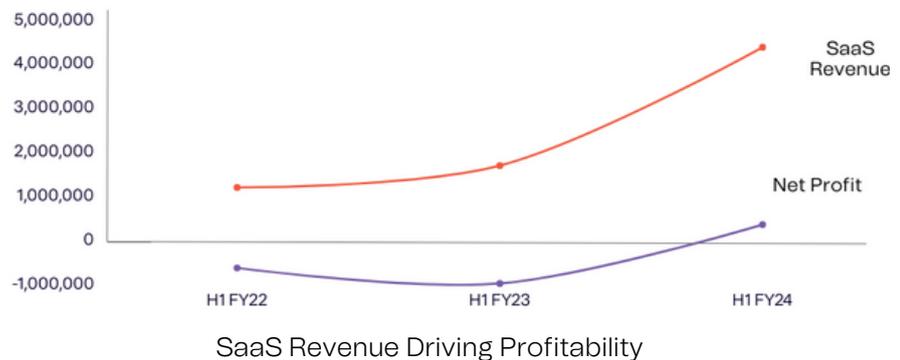
\$18.3m

Intangible Assets
↑ 1% during the period

The first half of this year was dominated by increasing interest rates, the lowest unemployment for many years and considerable business and consumer uncertainty. All indicators that traditionally would have correlated to a reduction in traditional revenue for the company.

The strategy of moving to daily simplified compliance management has resulted in the highest revenue half ever, and the highest percentage of SaaS revenue.

The half year performance has resulted in a Net Profit of \$357,254. This is an improvement over the \$978,864 loss for the previous corresponding period and almost double the full year result from last financial year.



Balance Sheet and Equity

Cash and cash equivalents for the period ended 31 December 2023 was \$9.1m. On a normalised basis (excluding share buy-backs and one-off organisational alignment costs), cash amounted to \$9.8m, closing largely in line with the cash position at the start of the financial period. Half Year FY24 marked the 14th consecutive quarter of reported positive cash flow from operating activities of \$1.5m (H1 FY23: \$0.9m), driven by other improved receivable collections. During the period, cash used in the investing activities of the business for H1 FY24 decreased by 25% to \$1.6m (H1 FY23: \$2.1m).



58%

Increase in SaaS
Customers pcp



2100

More organisations
registered with CVCheck
during the period,
growing the opportunity
for conversion to SaaS

Product Market Fit

Kinatico continues to build its reputation as a valued partner to meet each customer's needs for the entire employee lifecycle, recognising that those needs will vary from customer to customer.

The new customer wins across disparate industries continues to demonstrate widespread demand for the solution as well as the flexibility and adaptability of Kinatico compliance.

At no time has there been a greater need for secure management of increasing amounts of worker data, simplified, secured communications and information data transfer, and, most importantly, up-to-the-moment visibility of the status of compliance across organisations. Kinatico continues to build its position to take advantage of this opportunity.

We continue to evolve to meet the ever-changing needs of the customer. By understanding the complexities our customers are working with, Kinatico can provide the support they need. Through being aligned to market trends, regulatory changes and the continual shifts that are put upon organisations, Kinatico can provide the guidance and direction our customers are looking for.

Although every sector is unique, we see a common theme, "Compliance demand is growing". Customers increasingly want to shift from "static" checks to lifecycle compliance of the workforce. As a result, Kinatico has seen growth in numbers of both newly acquired customers and transition of existing customers to Lifecycle compliance.

The pipeline in our sales business continues to grow and sectors such as Energy, Health / Aged / Disability care and Education are having continual pressures to meet regulatory demands.

Overall, our pipeline continues to grow with opportunities over past months.



29 days

Average Trade Receivable
Days for the period
improved by 7%
(pcp 31 days)



5500

Separate customers
transacted during the
period

Dividends

The Company did not pay any dividends during the period. The Directors do not recommend the payment of a dividend in respect of the half-year.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This Report is made in accordance with a resolution of Directors, pursuant to Section 306(3)(a) of the Corporations Act 2001.



Employee Engagement

Continues to trend upward during transformation



17%

Of our technology team identify as women



6 CSR and Sustainable Initiatives

During the period the organisation contributed and participated in 6 separate initiatives as part of our drive to be a purpose led organisation

The remainder of the year and beyond.

The further improved financial performance of the company remains a management priority for the remainder of the year.

Ongoing focus remains on operational efficiency, solution enhancement, increased revenue (particularly SaaS revenue growth) and overall profitability.

Notwithstanding the challenging macro-economic conditions, Kinatico continues to build its transformative position as a leader in simplified daily compliance management. Our considered approach is designed to manage the current economic reality whilst ensuring we build a scalable operation that is ready to take advantage of the accelerated growth and expansion as soon as the opportunity arises.

Kinatico is attentive to the retention of key staff, and the alignment, leadership and growth of our people. We recognise that our people are key to supporting our solutions, delivery and profitable growth.

I would like to thank the Kinatico executive team for their focus and hard work along with the tireless efforts of all Kinaticans.

I am proud to lead this talented group.

On behalf of the directors



Ivan Gustavino
NON-EXECUTIVE CHAIRMAN
20 February 2024



Auditor's Independence Declaration

RSM Australia Partners

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F +618 92619111
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Kinatico Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.

Rsm

RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 20 February 2024

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	4	14,342,511	13,592,502
Interest and other income		195,339	58,374
Expenses			
External direct costs		(4,625,726)	(4,830,578)
Director and employee benefits		(5,147,831)	(5,688,532)
Depreciation and amortisation		(1,638,399)	(1,388,252)
Advertising and marketing		(1,061,252)	(1,033,389)
Information and technology		(746,539)	(705,141)
Consultants and contractors		(378,357)	(336,889)
Share based payments		(21,955)	(200,790)
Insurance		(167,120)	(148,559)
Other expenses		(340,767)	(297,610)
Profit / (Loss) before income tax for the period		409,904	(978,864)
Income tax expense		(52,650)	-
Profit / (Loss) after income tax for the period		357,254	(978,864)
Other comprehensive profit			
Exchange differences arising from translation of foreign operations		3,007	50,572
Other comprehensive profit for the period (net of tax)		3,007	50,572
Total comprehensive profit / (loss) for the period attributable to equity holders of the Parent Entity		360,261	(928,292)

Earnings / (Loss) per share attributable to equity holders of the Parent Entity:

Basic earnings / (loss) per Share (cents per share)	0.09	(0.23)
Dilluted earnings / (loss) per Share (cents per share)	0.09	(0.23)

The accompanying notes form part of these financial statements.

Interim Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		9,108,737	9,629,066
Trade and other receivables		2,574,528	2,406,489
Other current assets		661,591	327,024
Total Current Assets		12,344,856	12,362,579
NON CURRENT ASSETS			
Plant and equipment		1,353,609	1,580,943
Intangible assets - goodwill		4,669,730	4,669,730
Intangible assets - others		13,673,826	13,484,935
Deferred tax asset		22,446	22,229
Other non-current assets		320,100	320,100
Total Non Current Assets		20,039,711	20,077,937
TOTAL ASSETS		32,384,567	32,440,516
CURRENT LIABILITIES			
Trade and other payables		3,700,868	3,510,171
Provision for employee benefits		1,162,397	1,277,775
Contract liabilities		1,047,448	1,205,800
Lease liability		402,890	384,716
Income tax liability		34,625	82,248
Total Current Liabilities		6,348,228	6,460,710
NON CURRENT LIABILITIES			
Lease liability		910,514	1,115,971
Total Non Current Liabilities		910,514	1,115,971
TOTAL LIABILITIES		7,258,742	7,576,681
NET ASSETS		25,125,825	24,863,835
EQUITY			
Issued capital	5	46,537,770	46,657,996
Reserves		1,321,521	1,296,559
Accumulated losses		(22,733,466)	(23,090,720)
TOTAL EQUITY		25,125,825	24,863,835

The accompanying notes form part of these financial statements.

Interim Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 \$	31 Dec 2022 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	15,535,365	15,360,690
Payments to suppliers and employees	(14,055,236)	(14,355,404)
Finance costs paid	(41,440)	(49,992)
Interest received	196,638	19,587
Income tax paid	(101,263)	(39,913)
Net cash flows from operating activities	1,534,064	934,968
<i>Cash flows from investing activities</i>		
Payment for purchases of plant and equipment	(15,281)	(92,002)
Payment for intangible assets	(1,583,349)	(2,047,505)
Net cash used in investing activities	(1,598,630)	(2,139,507)
<i>Cash flows from financing activities</i>		
Share buyback	(120,226)	(226,798)
Repayment for lease liabilities	(188,313)	(105,887)
Repayment for business insurance premiums	(151,794)	(226,253)
Net cash used in from financing activities	(460,333)	(558,938)
<i>Net decrease in cash and cash equivalents</i>		
Cash and cash equivalents at the beginning of the period	9,629,066	12,197,837
Effects of exchange rate changes on the balance of cash held in foreign currencies	4,570	43,843
Cash and cash equivalents at the end of the period	9,108,737	10,478,203

The accompanying notes form part of these financial statements.

Interim Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Issued Capital \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022		47,941,406	810,864	(56,591)	(23,327,276)	25,368,403
Loss for the period		-	-	-	(978,864)	(978,864)
Exchange differences on translation of foreign operations		-	-	50,572	-	50,572
Total comprehensive loss for the period		-	-	50,572	(978,864)	(928,292)
Transactions with owners in their capacity as owners:						
Share buyback	5	(226,798)	-	-	-	(226,798)
Share based payments		-	200,790	-	-	200,790
Balance at 31 December 2022		47,714,608	1,011,654	(6,019)	(24,306,140)	24,414,103
Balance at 1 July 2023						
Balance at 1 July 2023		46,657,996	1,335,001	(38,442)	(23,090,720)	24,863,835
Profit for the period		-	-	-	357,254	357,254
Exchange differences on translation of foreign operations		-	-	3,007	-	3,007
Total comprehensive profit for the period		-	-	3,007	357,254	360,261
Transactions with owners in their capacity as owners:						
Share buyback	5	(120,226)	-	-	-	(120,226)
Share based payments		-	21,955	-	-	21,955
Balance at 31 December 2023		46,537,770	1,356,956	(35,435)	(22,733,466)	25,125,825

The accompanying notes form part of these financial statements.

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 1. Company Information

The interim consolidated financial statements of Kinatico Limited and its subsidiaries (collectively, 'the Group') for the half year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 20 February 2024

Kinatico Limited ('the Company') is a for profit company, limited by shares, incorporated, and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The Group's principal activity for the half year ended 31 December 2023 consisted of the provision of *know your people* services, comprising SaaS-based workforce management and compliance technology systems complemented by screening and verification services.

Note 2. General Information and Basis of Preparation

a. Statement of compliance

The interim consolidated financial statements for the half year ended 31 December 2023 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2023 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 2. General Information and Basis of Preparation (continued)

b. Material accounting policies

The accounting policies applied in these financial statements are consistent with those applied by the Group in the 30 June 2023 consolidated financial statements, except as disclosed in note 2(c).

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2023 half year reporting period and have not been applied in these financial statements.

c. New and amended standard adopted by the Group

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new and amended accounting standards and interpretations had no material impact on the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

d. Critical accounting estimates and judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 3. Segment Information

The Group is organised into two operating segments based on geographical locations consisting of Australia and New Zealand. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

Performance is measured based on segment operating profit. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information is reported to the CODM monthly.

	Australia \$	New Zealand \$	Elimination \$	Total \$
For the half-year ended 31 December 2023				
Revenue	12,816,235	1,526,276	-	14,342,511
EBITDA	1,083,464	816,093	-	1,899,557
Depreciation and amortisation	(1,604,811)	(33,588)	-	(1,638,399)
Interest income	232,059	9,830	(55,890)	185,999
Interest expense	(38,587)	(57,999)	55,890	(40,696)
Other non-operating income / (expense)	499,457	(488,629)	(7,385)	3,443
Profit before income tax	171,582	245,707	(7,385)	409,904
Income tax expense	-	(52,650)	-	(52,650)
Profit after income tax	171,582	193,057	(7,385)	357,254

31 December 2023

Assets

Segment assets	56,263,499	2,771,806	(26,650,738)	32,384,567
Total assets	56,263,499	2,771,806	(26,650,738)	32,384,567

31 December 2023

Liabilities

Segment liabilities	31,173,025	2,023,526	(25,937,809)	7,258,742
Total Liabilities	31,173,025	2,023,526	(25,937,809)	7,258,742

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 3. Segment Information (Continued)

	Australia \$	New Zealand \$	Elimination \$	Total \$
For the half-year ended 31 December 2022				
Revenue	11,935,466	1,657,036	-	13,592,502
EBITDA	(423,969)	811,694	-	387,725
Depreciation and amortisation	(1,356,063)	(32,189)	-	(1,388,252)
Interest income	178,659	126	(120,411)	58,374
Interest expense	(46,190)	(125,720)	122,335	(49,575)
Other non-operating income / (expense)	968,576	(953,788)	(1,924)	12,864
Loss before income tax	(678,987)	(299,877)	-	(978,864)
Income tax expense	-	-	-	-
Loss after income tax	(678,987)	(299,877)	-	(978,864)

30 June 2023

Assets

Segment assets	56,943,618	2,533,644	(27,036,746)	32,440,516
Total assets	56,943,618	2,533,644	(27,036,746)	32,440,516

30 June 2023

Liabilities

Segment liabilities	31,914,193	1,986,304	(26,323,816)	7,576,681
Total Liabilities	31,914,193	1,986,304	(26,323,816)	7,576,681

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 4. Revenue

	For the half year ended 31 December	
	2023	2022
	\$	\$
Type of service		
Transactional		
Criminal history checks	7,673,124	8,152,990
Other checks	2,289,506	3,745,555
	9,962,630	11,898,545
Software as a Service		
	4,379,881	1,693,957
Total revenue from contracts with customers	14,342,511	13,592,502
Geographical markets		
Australia	12,816,235	11,935,466
New Zealand	1,526,276	1,657,036
Total revenue from contracts with customers	14,342,511	13,592,502
Timing of revenue		
Services rendered at a point in time	10,664,734	11,898,545
Services rendered over time	3,677,777	1,693,957
Total revenue from contracts with customers	14,342,511	13,592,502

Note 5. Issued Capital

	31 December 2023		30 June 2023	
	No. of shares	\$	No. of shares	\$
Balance at the beginning of the period	419,652,724	46,657,996	434,232,370	47,941,406
Share buyback	(1,060,740)	(120,226)	(14,579,646)	(1,283,410)
Balance at the end of the period	418,591,984	46,537,770	419,652,724	46,657,996

During the half year period the Company completed its on-market buyback which commenced in the previous financial year. A total of 15,640,386 shares were bought back for a total consideration of \$1,403,636. As at 31 December 2023, all shares bought back were cancelled.

Notes to the Interim Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 6. Commitments and Contingencies

a. Commitments

There are no capital commitments as of 31 December 2023 (30 June 2023: NIL).

b. Contingent assets

There are no contingent assets as of 31 December 2023 (30 June 2023: NIL).

c. Contingent liabilities

The Group has given bank guarantees as at 31 December 2023 of \$333,884 (30 June 2023: \$333,884).

Note 7. Events After the Reporting Date

Under the Employee Incentive Option Plan, a total of 15,000,000 shares have been granted on 9 January 2024 to selected executives as loan funded securities in accordance with the company's loan funded share plan.

Other than the matter disclosed above, no other matter or circumstance has arisen since 31 December 2023 that significantly affected, or may significantly affect, the state of affairs or operations of the Group in future financial periods.

Note 8. Dividends

There were no dividends declared for the half year ended 31 December 2023 (2022: NIL).

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

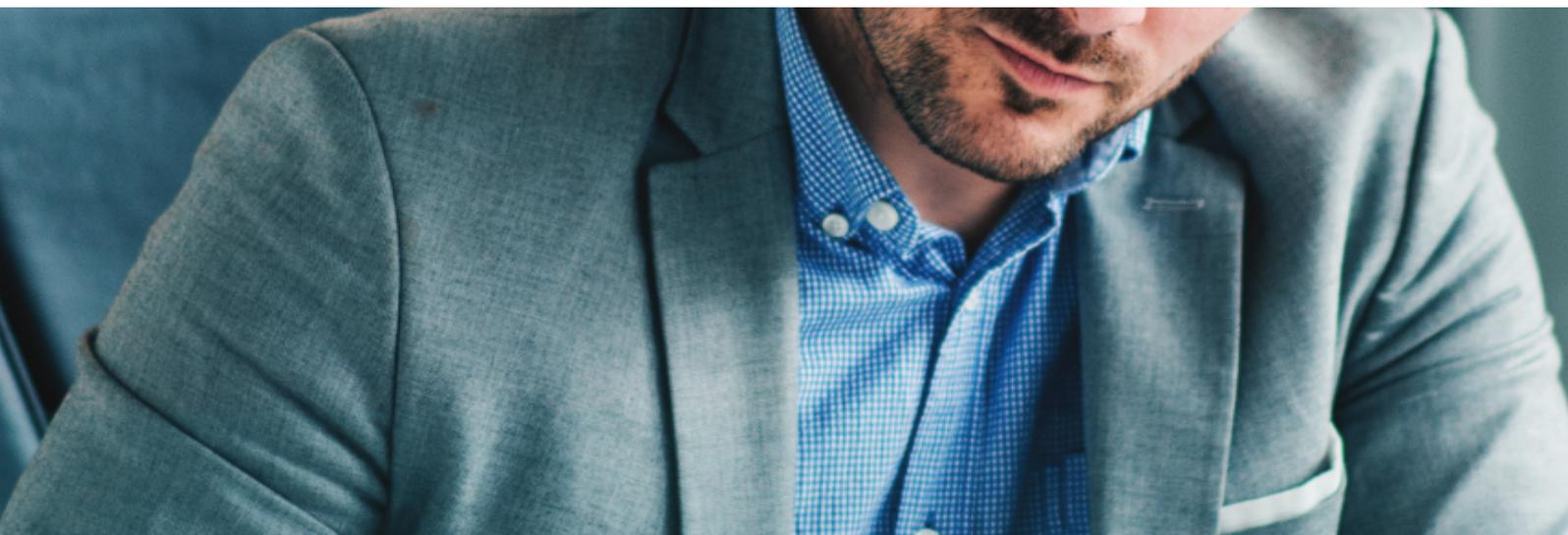
On behalf of the directors



Ivan Gustavino

NON-EXECUTIVE CHAIRMAN

20 February 2024





Independent Auditor's Review Report



RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of KINATICO LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kinatico Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kinatico Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kinatico Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Kinatico Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Perth, WA
Dated: 20 February 2024


RSM AUSTRALIA PARTNERS


AIK KONG TING
Partner