

### Recurring revenue streams topped \$21.7m in FY24

Kinatico Ltd (ASX:KYP) is a 'Know Your People' regtech company providing workforce compliance monitoring and management technology and services. KYP provided shareholders with a post-FY24 update in the form of a webinar on **5 September**, in which it highlighted for the first time the annual recurring revenue (ARR) being generated across the group. Management said transactional revenue ARR was \$12m of total transactional revenue in FY24. This together with the \$9.7m generated in Software-as-a-Service (SaaS) revenue, which is also recurring in nature, brought ARR to \$21.7m in FY24, or 76% of total revenue. Management also noted that 91% of corporate customers, which generated \$13m in transactional revenue in FY24, were recurring customers. We see these metrics as significant as they signal the ongoing shift to lower-cost-to-acquire and hence higher-margin revenues within the group. Kinatico also says it is targeting 80% of its revenues from SaaS within three years. This is ahead of our forecasts which estimate that SaaS could rise from 34% in FY24 to 60% in FY27, with the 80% benchmark reached in FY31. We have not changed our forecasts following the webinar and retain our DCF valuation at \$0.30/share. A +/-10% sensitivity analysis gives us a valuation range of \$0.20-\$0.43/share.

### Business model

Kinatico is focusing its business on the generation of SaaS revenue from the provision of simplified real-time workforce compliance monitoring and management technology and services. SaaS revenue accounted for 34% of FY24 revenue up from 18% in FY23 and was a significant factor in the increased EBITDA adjusted margin in FY24 (13.5% in FY24 versus 11.2% in FY23). The business also has a long-standing screening and verification (SaV) revenue stream, under the brand CVCheck, from transactions, which historically have been one-time but presents now as a ready-made pipeline and sales acquisition client base for the SaaS product. SaaS customers (employers) pay a set monthly SaaS fee for an end-to-end compliance management solution. Kinatico has a target of generating 80% of its revenue from SaaS within three years ([5 September company presentation](#)).

### FY24 update highlighted the breadth of new customers

Kinatico said in its recent company update that it had secured a range of new enterprise customers during FY24 including Endeavour Group (ASX:EDV), Kmart, which is Wesfarmers-owned (ASX:WES), Swinburne University, Services Australia, Johns Lyng Group (ASX:JLG) and Michael Hill (ASX:MHJ). Further, the company said that corporate customers account for 68% of the \$19m in transactional revenue and 91% of that revenue was recurring from corporate customers seeking simplified compliance. The company has noted previously ([ASX release 22 August](#)) that of the \$9.7m generated from SaaS customers in FY24, \$7.7m was from existing customers and \$2m from new customers. Management said it was now focused on releasing additional, customer-requested features to its technology including a self-service configuration, predictive compliance task suggestions, geolocated triggering of compliance requirements and dynamic dashboards and reporting. Management also highlighted that development of these features could be funded from existing cash-generation, enabling the company to maintain its ~\$10m in cash reserves.

### DCF valuation of \$0.30/share

Our DCF valuation is \$0.30/share and incorporates a WACC of 13.2% (beta of 1.41, a risk-free rate of 4.0% and a terminal growth rate of 2.2%). In our view, the WACC we use is justified given the sustained profitability and free cashflow that this company has delivered over the past two financial years. Our DCF implies EV/Revenue multiples of 4.0x for FY25f and 3.6x for FY26f, compared with the current multiples implied in our forecasts of 1.1x FY25f and 1.0x FY26f. We would expect the gap between the current share price and our valuation to narrow provided Kinatico demonstrates continued growth in SaaS revenue, secures material new contracts and delivers sustained positive free cash flow and operating profit.

### Historical earnings and RaaS' estimates (in A\$m unless otherwise stated)

| Year end | Revenue | Gross profit | EBITDA adj. | NPAT adj. | EPS adj. | EV/Revenue (x) | EV/EBITDA (x) | PER (x) |
|----------|---------|--------------|-------------|-----------|----------|----------------|---------------|---------|
| 06/24a   | 28.9    | 19.2         | 3.9         | 1.0       | 0.24     | 1.4            | 10.5          | 48.2    |
| 06/25f   | 31.7    | 21.0         | 4.0         | 1.1       | 0.30     | 1.3            | 10.1          | 38.8    |
| 06/26f   | 35.0    | 23.4         | 5.1         | 1.7       | 0.45     | 1.1            | 7.8           | 25.7    |
| 06/27f   | 38.7    | 26.1         | 6.8         | 2.9       | 0.73     | 0.9            | 5.4           | 15.8    |

Sources: Company data; RaaS estimates for FY25f, FY26f and FY27f. Adjusted EBITDA, NPAT and EPS exclude one-time and non-cash items including share-based compensation

### Software & Services

10 September 2024

#### Share Details

|                       |         |
|-----------------------|---------|
| ASX code              | KYP     |
| Share price (9-Sept)  | \$0.115 |
| Market capitalisation | \$49.9M |
| Shares on issue       | 433.6M  |
| Net cash at 30-Jun-24 | \$9.9M  |
| Free float            | ~57%    |

#### Share Performance (12 months)



#### Company Interviews

- [Kinatico Georg Chmiel Interview 19 July 2024](#)
- [Kinatico Georg Chmiel Transcript 19 July 2024](#)
- [Kinatico RaaS Interview 23 July 2024](#)
- [Kinatico RaaS Transcript 23 July 2024](#)

#### Upside Case

- SaaS take-up exceeds expectations
- Highly-scalable business model
- Well positioned for potential M&A

#### Downside Case

- Lower/slower-than-expected SaaS uptake rate
- Enterprise customers take longer than expected to sign-up
- Pursuit of planned international expansion leads to higher-than-expected costs/losses

#### Catalysts

- Material new contracts for SaaS offering
- Delivery of process automation → positioning for future scalability and operating leverage
- M&A activity highlighting relative valuations

#### Company Contact

Michael Ivanchenko (CEO) +61 408 712 795  
[michaelivanchenko@kinatico.com](mailto:michaelivanchenko@kinatico.com)

#### RaaS Contact

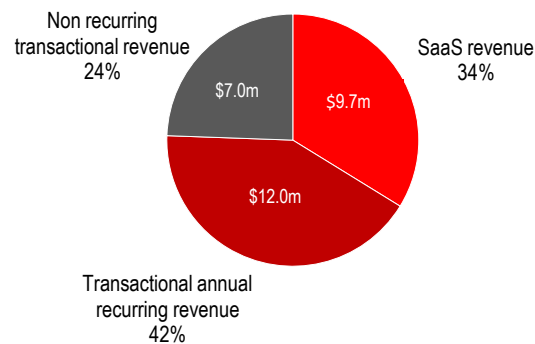
Finola Burke +61 414 354 712  
[finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

## Key Highlights From Investor Webinar

Kinatico provided more detail on its FY24 results and outlook in an investor webinar on 5 September. Following are the key takeaways:

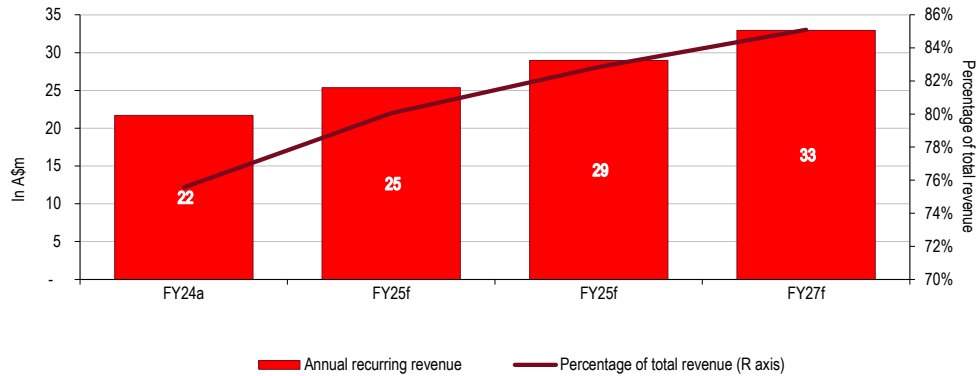
- For the first time, Kinatico provided detail on transactional revenue ARR, noting that in FY24 this generated \$12m in revenue, or 42% of total revenue;
- This combined with the \$9.7m in SaaS revenue, which is also recurring in nature, results in \$21.7m in ARR for the group, or 76% of total revenue, which we highlight in **Exhibit 1** below. **Exhibit 2** sets out our forecast for FY25f to FY27f ARR and the percentage of total revenue;
- 91% of corporate customers using KYP’s transactional service platform are recurring;
- The company has announced a new target of 80% SaaS revenue within three years. SaaS revenue was 34% of total revenue in FY24. We highlight in **Exhibit 3** our forecasts for SaaS revenue and the estimated percentage share of total revenue, which is below the company’s target for 80% in three years;
- In FY24, the company achieved a 56% increase in SaaS customers, with \$2m of the \$9.7m reported generated by new customers;
- SaaS revenue generated per employee has increased 92% from \$61,448 in FY23 to \$118,293 in FY24 while NPAT per employee has increased 234% to \$9,521;
- The company is focused on releasing new customer-led features including self-service, predictive compliance task suggestions, dynamic dashboards and reporting and geolocated triggering of compliance requirements;
- Funding for these technology enhancements will come from existing cash-generation within the business, according to the company.

**Exhibit 1: FY24a revenue broken down by recurring and non-recurring source**



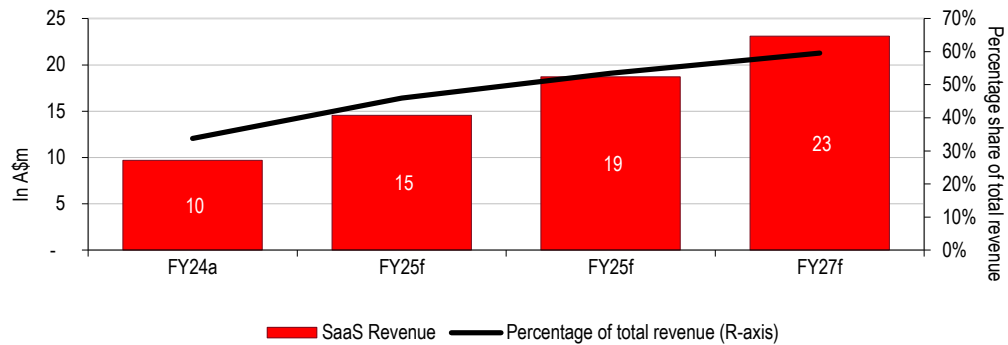
Source: Company data, RaaS analysis

**Exhibit 2: Annual recurring revenue FY24a-FY27f and percentage share of total revenue**



Source: Company data, RaaS forecasts

**Exhibit 3: SaaS revenue by year and as a share of total revenue FY24a-FY27f**



Source: Company data, RaaS forecasts

## DCF Valuation Unchanged

Our valuation utilises a discounted cash-flow methodology which we consider to be the most appropriate methodology for valuing KYP at this point in its lifecycle as it pursues its SaaS sales growth strategy. Our discount rate of 13.2% includes a beta of 1.41, which is the five-year rate observed by LSEG. This gives us a DCF valuation of \$0.30/share, which implies an EV/Revenue of 4.0x FY25F and 3.6x FY26f. We note that a +/-10% sensitivity analysis on our base-case forecasts derives a valuation range of \$0.20-\$0.43/share.

**Exhibit 4: DCF valuation**

| Parameters   | Outcome       |
|--|---------------|
| Discount rate / WACC   | 13.2%         |
| Beta*  | 1.41          |
| Terminal growth rate assumption  | 2.2%          |
| Sum of PV (A\$m)   | 48.4          |
| PV of terminal value (A\$m)  | 73.5          |
| <b>PV of enterprise (A\$m)</b>   | <b>122.0</b>  |
| Net debt / (cash) – 30 June 2024 (A\$m)  | (9.0)         |
| <b>Net valuation – equity (A\$m)</b>   | <b>131.0</b>  |
| No. of shares on issue (fully-diluted for options on issue & adjusted for share buyback) (M) | 433.6         |
| <b>NPV per share (A\$)</b>   | <b>\$0.30</b> |

Sources: RaaS estimates, \*LSEG's observed beta of 1.41 based on its five-year monthly beta methodology

**Exhibit 5: Financial Summary**

| Kinatico                       |             |             |             |             |             | Share price (9 September 2024)    |             |             |             |             |             | A\$         | 0.12  |       |       |       |       |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|-------|-------|-------|-------|
| Profit and Loss (A\$m)         |             |             |             |             |             | Interim (A\$m)                    |             |             |             |             |             | H124A       | H224A | H125F | H225F | H126F | H226F |
| Y/E 30 June                    | FY23A       | FY24A       | FY25F       | FY26F       | FY27F       | Revenue                           | 14.4        | 14.4        | 15.5        | 16.1        | 17.4        | 17.6        |       |       |       |       |       |
| Transactional revenue          | 22.6        | 19.0        | 17.1        | 16.3        | 15.6        | EBITDA                            | 1.9         | 2.0         | 2.1         | 1.9         | 2.6         | 2.5         |       |       |       |       |       |
| SaaS revenue                   | 5.1         | 9.7         | 14.6        | 18.7        | 23.1        | EBIT                              | 0.3         | 0.5         | 1.0         | 0.7         | 1.4         | 1.3         |       |       |       |       |       |
| Sales Revenue                  | 27.7        | 28.8        | 31.7        | 35.0        | 38.7        | NPAT (normalised)                 | 0.4         | 0.6         | 0.7         | 0.5         | 1.0         | 0.9         |       |       |       |       |       |
| Gross Profit                   | 18.2        | 19.2        | 21.0        | 23.4        | 26.1        | Minorities                        | -           | -           | -           | -           | -           | -           |       |       |       |       |       |
| EBITDA underlying              | 3.1         | 3.9         | 4.0         | 5.1         | 6.8         | NPAT (reported)                   | 0.4         | 0.4         | 0.7         | 0.5         | 0.9         | 0.9         |       |       |       |       |       |
| Depn                           | (0.5)       | (0.5)       | (0.2)       | (0.2)       | (0.1)       | EPS (normalised)                  | 0.09        | 0.15        | 0.17        | 0.13        | 0.23        | 0.22        |       |       |       |       |       |
| Amort                          | (2.1)       | (2.6)       | (2.1)       | (2.3)       | (2.4)       | EPS (reported)                    | 0.09        | 0.10        | 0.16        | 0.11        | 0.22        | 0.21        |       |       |       |       |       |
| EBIT underlying                | 0.5         | 0.7         | 1.6         | 2.5         | 4.2         | Dividend (cps)                    | -           | -           | -           | -           | -           | -           |       |       |       |       |       |
| Interest                       | 0.1         | 0.3         | 0.1         | 0.1         | 0.2         | Imputation                        | -           | -           | -           | -           | -           | -           |       |       |       |       |       |
| Tax                            | 0.1         | (0.1)       | (0.6)       | (0.8)       | (1.3)       | Operating cash flow               | 1.5         | 2.7         | 1.3         | 1.8         | 2.2         | 2.2         |       |       |       |       |       |
| Minorities                     | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | Free Cash flow                    | 3.1         | 4.3         | 2.8         | 3.3         | 3.7         | 3.7         |       |       |       |       |       |
| Equity accounted assoc         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | <b>Divisions</b>                  |             |             |             |             |             | H124A       | H224A | H125F | H225F | H126F | H226F |
| NPAT pre significant items     | 0.8         | 1.0         | 1.2         | 1.8         | 3.0         | Transactional Revenue             | 10.0        | 9.1         | 9.0         | 8.1         | 8.5         | 7.7         |       |       |       |       |       |
| Significant & non-cash items   | (0.5)       | (0.2)       | (0.1)       | (0.1)       | (0.1)       | SaaS Revenue                      | 4.4         | 5.3         | 6.6         | 8.0         | 8.9         | 9.8         |       |       |       |       |       |
| <b>NPAT (reported)</b>         | <b>0.2</b>  | <b>0.8</b>  | <b>1.1</b>  | <b>1.7</b>  | <b>2.9</b>  | <b>Sales revenue</b>              | <b>14.3</b> | <b>14.4</b> | <b>15.5</b> | <b>16.1</b> | <b>17.4</b> | <b>17.6</b> |       |       |       |       |       |
| <b>Cash flow (A\$m)</b>        |             |             |             |             |             | COGS                              | (4.6)       | (4.9)       | (5.2)       | (5.4)       | (5.8)       | (5.8)       |       |       |       |       |       |
| Y/E 30 June                    | FY23A       | FY24A       | FY25F       | FY26F       | FY27F       | Gross Profit                      | 9.7         | 9.5         | 10.3        | 10.7        | 11.6        | 11.8        |       |       |       |       |       |
| EBITDA                         | 3.1         | 3.9         | 4.0         | 5.1         | 6.8         | GP Margin (%)                     | 67.7        | 66.1        | 66.3        | 66.4        | 66.7        | 66.9        |       |       |       |       |       |
| Interest                       | 0.1         | 0.3         | 0.1         | 0.1         | 0.2         | Employment                        | (5.1)       | (5.1)       | (5.5)       | (5.9)       | (6.1)       | (6.2)       |       |       |       |       |       |
| Tax                            | (0.1)       | (0.1)       | (0.6)       | (0.8)       | (1.3)       | Technology, licence fees          | (2.4)       | (2.1)       | (2.3)       | (2.4)       | (2.5)       | (2.6)       |       |       |       |       |       |
| Working capital changes        | 0.5         | 0.1         | (0.5)       | 0.0         | 0.0         | Other costs                       | (0.3)       | (0.4)       | (0.4)       | (0.4)       | (0.5)       | (0.5)       |       |       |       |       |       |
| Operating cash flow            | 3.6         | 4.2         | 3.1         | 4.4         | 5.7         | EBITDA (normalised)               | 1.9         | 2.0         | 2.1         | 1.9         | 2.6         | 2.5         |       |       |       |       |       |
| Mtce capex                     | (0.1)       | (0.0)       | (0.0)       | (0.0)       | (0.0)       | <b>Margins, Leverage, Returns</b> |             |             |             |             |             | FY23A       | FY24A | FY25F | FY26F | FY27F |       |
| Free cash flow                 | 3.6         | 4.2         | 3.0         | 4.4         | 5.7         | EBITDA                            |             | 11.2%       | 13.4%       | 12.8%       | 14.5%       | 17.7%       |       |       |       |       |       |
| Capitalised Dev. Costs         | (3.9)       | (3.2)       | (3.0)       | (3.0)       | (3.0)       | EBIT                              |             | 1.7%        | 2.6%        | 5.1%        | 7.2%        | 10.9%       |       |       |       |       |       |
| Acquisitions/Disposals         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | NPAT pre significant items        |             | 2.7%        | 3.5%        | 3.7%        | 5.2%        | 7.8%        |       |       |       |       |       |
| Other                          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | Net Cash                          |             | 9.6         | 9.8         | 9.8         | 11.2        | 13.8        |       |       |       |       |       |
| Cash flow pre financing        | (0.3)       | 1.0         | 0.0         | 1.4         | 2.7         | Net debt/EBITDA (x)               | (x)         | 3.1         | 2.5         | 2.4         | 2.2         | 2.0         |       |       |       |       |       |
| Equity                         | (1.3)       | (0.1)       | 0.0         | 0.0         | 0.0         | ND/ND+Equity (%)                  | (%)         | (63.2%)     | (61.0%)     | (56.9%)     | (62.8%)     | (75.7%)     |       |       |       |       |       |
| Debt                           | (0.3)       | (0.4)       | 0.0         | 0.0         | 0.0         | EBIT interest cover (x)           | (x)         | -           | 0.3         | (0.4)       | (0.1)       | (0.0)       |       |       |       |       |       |
| Dividends paid                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | ROA                               |             | 1.4%        | 2.3%        | 4.9%        | 7.4%        | 11.4%       |       |       |       |       |       |
| Net cash flow for year         | (1.8)       | 0.5         | 0.0         | 1.4         | 2.7         | ROE                               |             | 0.9%        | 3.1%        | 4.0%        | 6.1%        | 9.6%        |       |       |       |       |       |
| <b>Balance sheet (A\$m)</b>    |             |             |             |             |             | ROIC                              |             | 3.2%        | 4.8%        | 9.6%        | 14.4%       | 23.4%       |       |       |       |       |       |
| Y/E 30 June                    | FY23A       | FY24A       | FY25F       | FY26F       | FY27F       | <b>Working capital</b>            |             |             |             |             |             | (1.1)       | (1.3) | (0.8) | (0.8) | (0.9) |       |
| Cash                           | 9.6         | 9.8         | 9.8         | 11.2        | 13.8        | WC/Sales (%)                      |             | (4.0%)      | (4.6%)      | (2.5%)      | (2.3%)      | (2.2%)      |       |       |       |       |       |
| Accounts receivable            | 2.4         | 2.6         | 2.1         | 2.4         | 2.6         | <b>Revenue growth</b>             |             |             |             |             |             | 5.0%        | 4.0%  | 9.9%  | 10.4% | 10.8% |       |
| Inventory                      | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | EBIT growth pa                    |             | nm          | nm          | 114%        | 58%         | 67%         |       |       |       |       |       |
| Other current assets           | 0.3         | 0.4         | 0.4         | 0.4         | 0.4         | <b>Pricing</b>                    |             |             |             |             |             | FY23A       | FY24A | FY25F | FY26F | FY27F |       |
| Total current assets           | 12.4        | 12.7        | 12.3        | 13.9        | 16.8        | No of shares (y/e)                | (m)         | 420         | 434         | 434         | 434         | 434         |       |       |       |       |       |
| PPE                            | 1.6         | 1.1         | 1.0         | 0.8         | 0.7         | Weighted Av Dil Shares            | (m)         | 430         | 419         | 434         | 434         | 434         |       |       |       |       |       |
| Intangibles and Goodwill       | 18.2        | 18.7        | 19.5        | 20.3        | 20.9        | EPS Reported                      | cps         | 0.05        | 0.19        | 0.27        | 0.42        | 0.70        |       |       |       |       |       |
| Investments                    | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | EPS Normalised/Diluted            | cps         | 0.17        | 0.24        | 0.30        | 0.45        | 0.73        |       |       |       |       |       |
| Deferred tax asset             | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | EPS growth (norm/dil)             |             | nm          | nm          | 24%         | 51%         | 62%         |       |       |       |       |       |
| Other non current assets       | 0.3         | 0.3         | 0.3         | 0.3         | 0.3         | DPS                               | cps         | -           | -           | -           | -           | -           |       |       |       |       |       |
| Total non current assets       | 20.1        | 20.1        | 20.8        | 21.4        | 22.0        | DPS Growth                        |             | n/a         | n/a         | n/a         | n/a         | n/a         |       |       |       |       |       |
| <b>Total Assets</b>            | <b>32.4</b> | <b>32.8</b> | <b>33.1</b> | <b>35.3</b> | <b>38.8</b> | Dividend yield                    |             | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |       |       |       |       |       |
| Accounts payable               | 3.5         | 3.9         | 2.9         | 3.2         | 3.5         | Dividend imputation               |             | 0           | 0           | 0           | 0           | 0           |       |       |       |       |       |
| Short term debt                | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | PE (x)                            |             | 209.1       | 61.9        | 42.7        | 27.4        | 16.4        |       |       |       |       |       |
| Tax payable                    | 0.1         | 0.0         | 0.0         | 0.0         | 0.0         | PE market                         |             | 26.9        | 26.9        | 26.9        | 26.9        | 26.9        |       |       |       |       |       |
| Other current liabilities      | 2.9         | 2.5         | 2.5         | 2.5         | 2.5         | Premium/(discount)                |             | nm          | 130.1%      | 58.6%       | 1.7%        | (38.9%)     |       |       |       |       |       |
| Total current liabilities      | 6.5         | 6.4         | 5.4         | 5.7         | 6.0         | EV/EBITDA                         |             | 11.5        | 10.5        | 9.7         | 7.3         | 0.0         |       |       |       |       |       |
| Long term debt                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | FCF/Share                         | cps         | (0.1)       | 0.2         | 0.0         | 0.3         | 0.6         |       |       |       |       |       |
| Other non current liabs        | 1.5         | 1.1         | 0.7         | 0.7         | 0.7         | Price/FCF share                   |             | (156.7)     | 49.1        | 1,159.1     | 36.4        | 18.7        |       |       |       |       |       |
| Total long term liabilities    | 1.5         | 1.1         | 0.7         | 0.7         | 0.7         | Free Cash flow Yield              |             | (0.6%)      | 2.0%        | 0.1%        | 2.7%        | 5.3%        |       |       |       |       |       |
| <b>Total Liabilities</b>       | <b>8.0</b>  | <b>7.5</b>  | <b>6.1</b>  | <b>6.4</b>  | <b>6.7</b>  |                                   |             |             |             |             |             |             |       |       |       |       |       |
| <b>Net Assets</b>              | <b>24.5</b> | <b>25.3</b> | <b>27.0</b> | <b>29.0</b> | <b>32.1</b> |                                   |             |             |             |             |             |             |       |       |       |       |       |
| Share capital                  | 46.7        | 46.5        | 46.5        | 46.5        | 46.5        |                                   |             |             |             |             |             |             |       |       |       |       |       |
| Accumulated profits/losses     | (23.1)      | (22.3)      | (21.0)      | (19.1)      | (15.9)      |                                   |             |             |             |             |             |             |       |       |       |       |       |
| Reserves                       | 1.3         | 1.5         | 1.5         | 1.5         | 1.5         |                                   |             |             |             |             |             |             |       |       |       |       |       |
| Minorities                     | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |                                   |             |             |             |             |             |             |       |       |       |       |       |
| <b>Total Shareholder funds</b> | <b>24.9</b> | <b>25.7</b> | <b>27.0</b> | <b>29.0</b> | <b>32.1</b> |                                   |             |             |             |             |             |             |       |       |       |       |       |

Sources: Company data, RaaS forecasts

# FINANCIAL SERVICES GUIDE

## RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26<sup>th</sup> March 2024

### About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Research Group Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 [www.brsecuritiesaustralia.com.au](http://www.brsecuritiesaustralia.com.au)

RaaS: c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

### Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities.

### How are we paid?

RaaS earns fees for producing research reports about companies we like, and/or producing a financial model as well. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report. Sometimes we write reports using our own initiative.

### Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

### Complaints

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

### Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

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Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

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