Kinaxis Q2 2023 Results Conference Call

John Sicard| President and CEO

Blaine Fitzgerald | CFO

Rick Wadsworth | VP, Investor Relations

August 10, 2023

Forward-looking Statements and Other Disclosures

Forward-Looking Information

This document contains forward-looking statements within the meaning of applicable Canadian securities legislation. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

These forward-looking statements include, among other things, statements relating to: our expectations regarding our revenue, expenses and operations; our plans for and timing of expansion of our solutions and services; our future growth plans; the acceptance by our customers and the marketplace of new technologies and solutions; our ability to attract new customers and develop and maintain existing customers; our expectations with respect to advancement in our technologies; our competitive position and our expectations regarding competition; and anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. These statements are provided to assist external stakeholders in understanding Kinaxis’ expectations as of the date of this document and may not be appropriate for other purposes.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those identified starting on page 3 of our Management’s Discussion and Analysis for the quarter ended June 30, 2023, and in our other public disclosure documents, which are available under our profile on SEDAR (www.sedar.com). Although the forward-looking statements contained in this document are based upon what our management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements. The forward-looking statements made in this document relate only to events or information as of the date of this document is made and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Non-IFRS and other Industry Measures

Adjusted EBITDA

The information presented in this document includes non-IFRS financial measures and industry metrics, namely, Adjusted EBITDA, Adjusted EBITDA Margin, Annual Recurring Revenue (“ARR”), and Remaining Performance Obligation (“RPO”). Kinaxis Inc. (the “Company” or “we”) provides non-IFRS measures and industry metrics as a complement to IFRS measures in order to: (i) aid in understanding our results of operations from management’s perspective; (ii) provide investors with a supplemental measure of our operating performance; and (iii) highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe non-IFRS measures and industry metrics are important supplemental measures of the health of our business.

Adjusted EBITDA is not a recognized, defined or standardized measure under IFRS. Our definition of Adjusted EBITDA will likely differ from that used by other companies (including our peers) and therefore comparability may be limited. Non-IFRS measures should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures.

Adjusted EBITDA Margin is the percentage of Adjusted EBITDA to the total revenue for the applicable period.

For a reconciliation of Adjusted EBITDA to the most comparable IFRS financial measure please see the section titled, ‘Reconciliation of Non-IFRS Measures’ in Kinaxis Inc.’s (the “Company”) Management’s Discussion and Analysis filed on SEDAR (sedar.com) for the second quarter ended June 30, 2023.

Annual Recurring Revenue

ARR is used widely among SaaS businesses as a means of evaluating a company’s underlying operating performance. Securities analysts, investors and other interested parties also frequently use ARR in the evaluation of issuers with SaaS businesses. ARR is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Accordingly, non-IFRS measures and industry metrics should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. ARR is the total annualized value of recurring subscription amounts (ultimately recognized as SaaS, Subscription Term Licenses and Maintenance & Support revenue) of all subscription contracts at a point in time. Annualized subscription amounts are determined solely by reference to the underlying contracts, normalizing for the varying revenue recognition treatments under IFRS for cloud-based versus on-premise subscription amounts. It excludes one-time fees, such as for non-recurring professional services, and assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal, unless such renewal is known to be unlikely. We believe that this measure provides a more current indication of our performance in the growth of our subscription business than other metrics.

Forward-looking statements and other disclosures

Remaining Performance Obligation
RPO represents the minimum contracted revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at period end. Our business model continues to focus on delivering long-term value to our customers. As a result, we typically enter into three to five-year agreements with our customers. RPO is not necessarily indicative of future revenue growth and is influenced by several factors, including seasonality, the timing of renewals, average contract terms, foreign currency exchange rates and fluctuations in new business growth. RPO is also impacted by acquisitions.

All amounts are in United States dollars, unless otherwise indicated.

Third-Party Information

This document also contains or references certain market, industry and peer group data and forecasts which are based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these publications and reports to be reliable, we have not independently verified any of the data or other statistical information contained therein, nor has the Company ascertained or validated the underlying economic or other assumptions relied thereon by these sources and cannot, and does not, provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytical purpose, and accordingly, disclaims any liability in relation to such information and data. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

Trademarks and Trade Names

This document includes certain trademarks, trade names and service marks, such as “Kinaxis”, “RapidResponse”, “Kinaxis RapidResponse” and “Know sooner. Act faster. Remove waste.”, which are protected under applicable intellectual property laws and are the property of the Company. Solely for convenience, the Company’s trademarks, trade names and service marks referred to in this document may appear without the ® or TM symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks to the fullest extent under applicable law. All other trademarks used in this document are the property of their respective owners.

Q2 2023 Results

$105.8MM

31% growth

TOTAL REVENUE

$64.1MM

25% growth

SAAS REVENUE

14%

ADJUSTED EBITDA[1] MARGIN

1 Adjusted EBITDA is a non-IFRS measure. See "Non-IFRS and other Industry Measures" in Slide 2 and 3, "Forward-looking Statements and Other Disclosures"

KPIs Show Unprecedented Demand Environment

- Record new account wins
- Win rate increasing
- Q2 record for incremental subscription business won
- Record initial meetings with new prospects
- Record Kinexions attendance

Record Wins, Big Brands Push Kinaxis past 300 customers

Consumer Products	Industrial	High Tech

Consumer Products

- **Peloton**
- **Brown-Forman**
  Jack Daniels, Finlandia Vodka, Woodford Reserve, etc.
- **Brita**
- **Premier Foods**
  Oxo, Bird’s Custard, etc.

Industrial

- **ExxonMobil**
- **Shell International**
- **Westlake**

High Tech

- **Kyocera Communications**

Extending Concurrency from Planning Through Execution

Launched

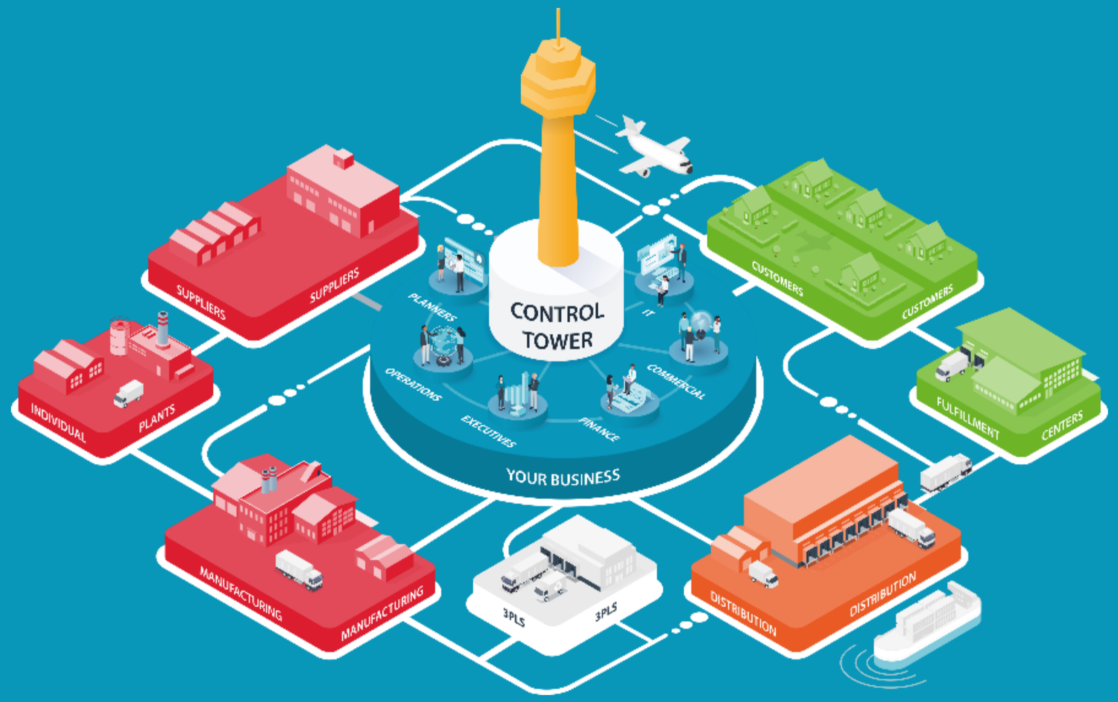
Enterprise Scheduling

Supply Chain Execution

Sustainable Supply Chain

Demand.AI

Fully Concurrent Supply Chain Orchestration



Gartner

2023 Gartner® Magic Quadrant™ for Supply Chain Planning Solutions

Kinaxis Positioned Furthest on Completeness of Vision and Highest on Ability to Execute

Kinaxis widely recognized as industry leader

IDC
SUPPLY CHAIN SUPPLY PLANNING

NUCLEUS RESEARCH
CONTROL TOWER

Quadrant Knowledge Solutions
GLOBAL TRANSPORTATION

This graphic was published by Gartner, Inc as part of a larger research document and should be evaluated in the content of the entire document. The Gartner document is available upon request from Kinaxis.

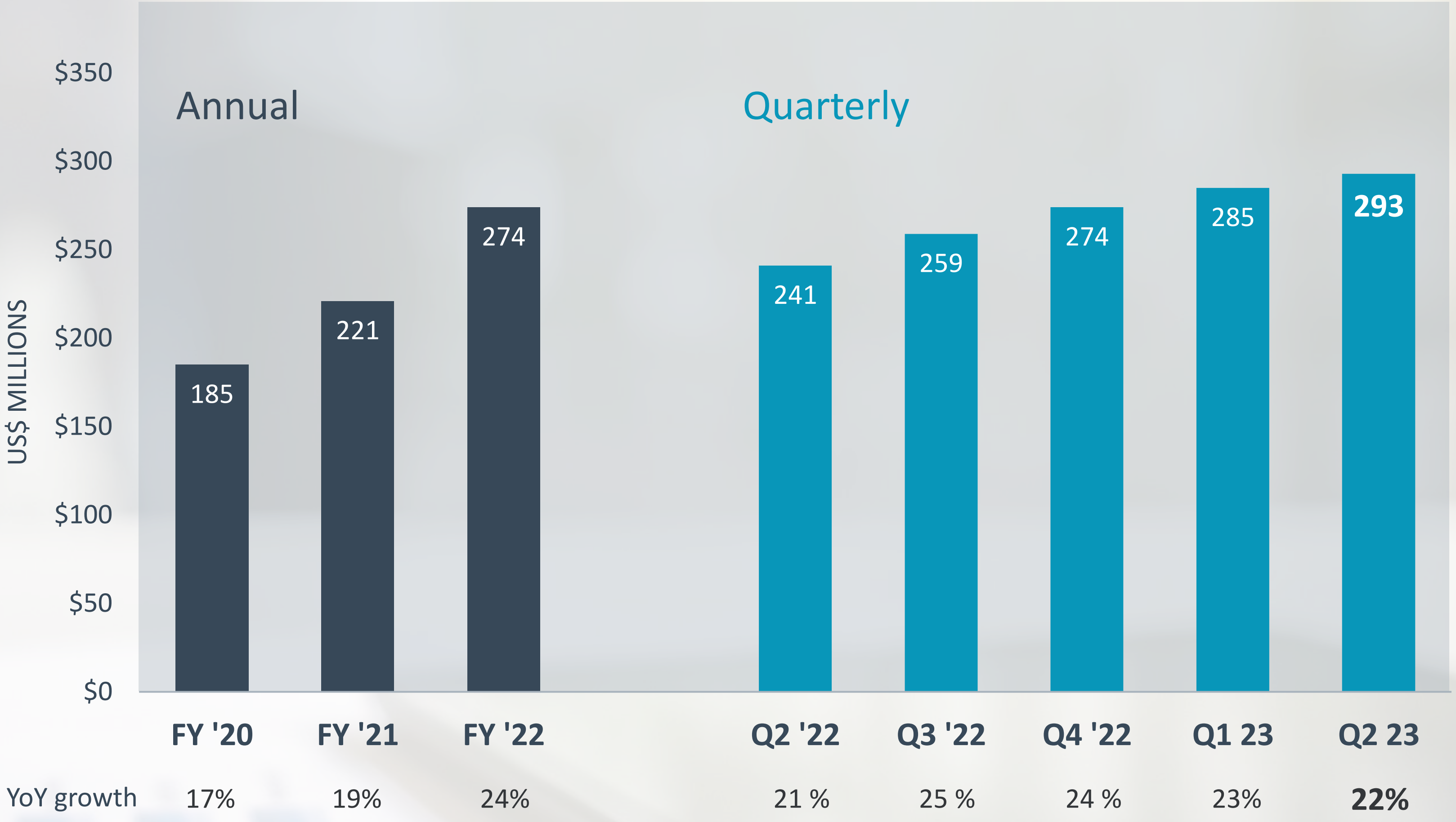
Gartner, Magic Quadrant for Supply Chain Planning Solutions, P. Orup Lund, T. Payne, J. Suleski, J. Graham, C. Thomson,, A. Salley, May 2, 2023

Financial Results Highlights, Q2 ’23

$USD thousands	Q2 2023	Q2 2022	Change
Total revenue	**105,772**	80,800	31%
SaaS	**64,104**	51,109	25%
Subscription term licenses	**7,086**	378	1775%
Professional services	**29,991**	25,386	18%
Maintenance and support	**4,591**	3,927	17%
Gross profit	**63,670**	49,776	28%
Margin	**60%**	62%	
Profit (Loss)	**(2,540)**	(2,632)	3%
Per diluted share	**(0.09)**	(0.10)	
Adjusted EBITDA[1]	**15,202**	10,376	47%
Margin	**14%**	13%	
Cash flow from operating activities	**13,943**	8,415	66%

1 Adjusted EBITDA is a non-IFRS measure. See “Non-IFRS and other Industry Measures” in Slide 2 and 3, “Forward-looking Statements and Other Disclosures”

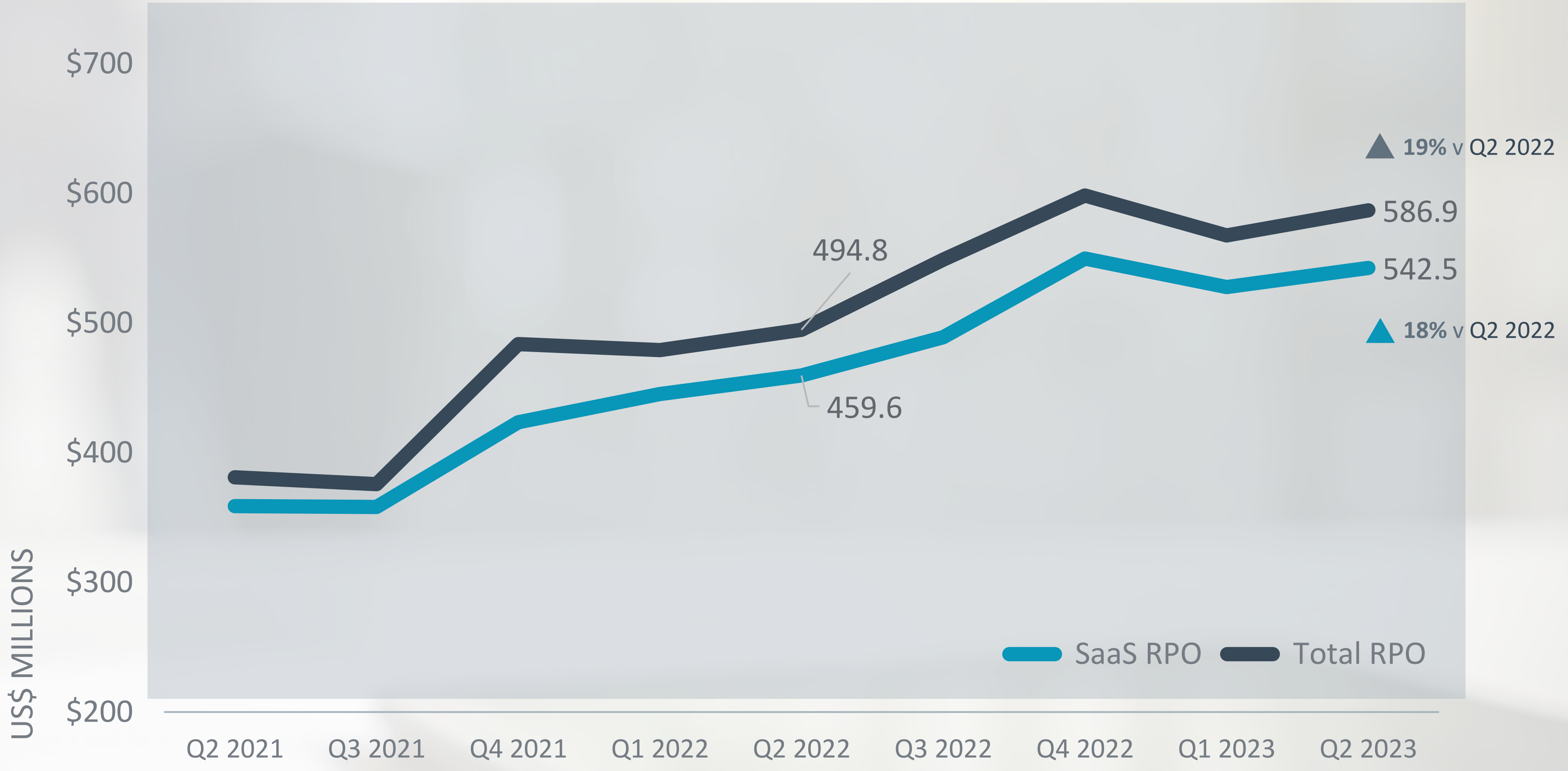
Annual Recurring Revenue (ARR) [1]



[1]See slide 2 and 3, "Non-IFRS and Other Industry Measures"

Remaining Performance Obligation (RPO)[1]

- $127.4 million of SaaS RPO converts to revenue in remainder of 2023
- RPO determined by renewal cycles, incremental growth



[1]See slide 2 and 3, “Non-IFRS and Other Industry Measures”

Reiterating FY ‘23 Guidance

$425-435MM

TOTAL REVENUE

25-27%

ANNUAL SAAS REVENUE GROWTH

$16-18MM

SUBSCRIPTION TERM LICENSE REVENUE

14-16%

ADJUSTED EBITDA[1] MARGIN

1 Adjusted EBITDA is a non-IFRS measure. See “Non-IFRS and other Industry Measures” in Slide 2 and 3, “Forward-looking Statements and Other Disclosures”

Know sooner. Act faster. Remove waste.

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