



2021 ANNUAL
INFORMATION FORM

We care about planning, people and the planet.

Kinaxis® delivers unparalleled supply chain agility and resiliency to supply chains across the globe. We're revolutionizing planning across integrated business planning and the digital supply chain with fast, confident decision-making, and we're taking important steps to advance our impact in promoting social good and global sustainability.

Four clear environmental, social and governance (ESG) commitments guide our decisions and actions, providing focus on areas where Kinaxis can truly make a difference:

- Protecting our planet by doing what we do best.
- Taking care of people.
- Giving back.
- Building trust through integrity.

We achieved carbon neutrality for 2020 and are committed to that strategy for the long term. In 2021 we joined the United Nations Global Compact and are focused on making a difference towards six of the United Nations Sustainable Development Goals:



We believe in paying it forward, and helping our customers do the same. We're proud of the awards our people, product and company have won and the recognition we receive from partners, analysts, media and, most importantly, our customers.

You can read more about Kinaxis and sustainability in this annual information form and in our 2021 global impact report on our website (www.kinaxis.com).

2021

Annual information form

This annual information form (this AIF) describes Kinaxis Inc. including our history, strategy, business, governance, risks and the market for our securities, among other things.

We believe the information about our market position, market opportunity and market share is generally reliable, but is imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry and markets we operate in are subject to significant risk and uncertainty for many reasons, including those described in this document. You can read about risk factors starting on page 27, and about forward-looking information on page 51.

For more information

You can find additional financial information in our consolidated financial statements and management's discussion and analysis (MD&A) for the year ended December 31, 2021. These documents and other information about Kinaxis are available on our website (www.kinaxis.com) and on SEDAR (www.sedar.com).

For more information please contact our Investor Relations group:

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2021

ABOUT THIS DOCUMENT

Throughout this AIF, the terms *we, us, our, company* and *Kinaxis* mean Kinaxis Inc. and our subsidiaries. All information is as of December 31, 2021, the end of our most recently completed fiscal year, unless indicated otherwise. This AIF is dated March 25, 2022.

We present our consolidated financial statements in United States dollars (U.S. dollars or US\$) and disclose certain financial information in this AIF in U.S. dollars. Any references we make to Canadian dollars are noted as Cdn\$. The table below sets out the high, low and average exchange rates for one U.S. dollar, expressed in Canadian dollars, for our last two fiscal years as reported by the Bank of Canada (www.bankofcanada.ca).

Fiscal year ending December 31	High (Cdn\$)	Low (Cdn\$)	Average (Cdn\$)
2021	1.2942	1.2040	1.2535
2020	1.4496	1.2718	1.3415

Trademarks, trade names and service marks

This AIF includes certain trademarks, trade names and service marks which are protected under applicable intellectual property laws and are the property of Kinaxis. Solely for convenience, the company's trademarks, such as *Kinaxis* and *RapidResponse*, may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names and service marks to the fullest extent under applicable law. Trademarks used in this AIF, other than those that belong to Kinaxis, are the property of their respective owners.

Market and industry data

This AIF contains or references certain market and industry data which are based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although Kinaxis 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. Kinaxis 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.

This AIF refers to the following report published by Gartner®¹: Magic Quadrant™ for Supply Chain Planning Solutions, A. Salley, T. Payne, P. Orup Lund, Feb. 22, 2021 (the *Gartner Content*).

The Gartner content represents data, research, opinion or viewpoints published, as part of a syndicated subscription service, by Gartner and are not representations of fact. The report speaks as of its original publication date (and not as of the date of this AIF) and the opinions expressed in the report are subject to change without notice.

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About Kinaxis

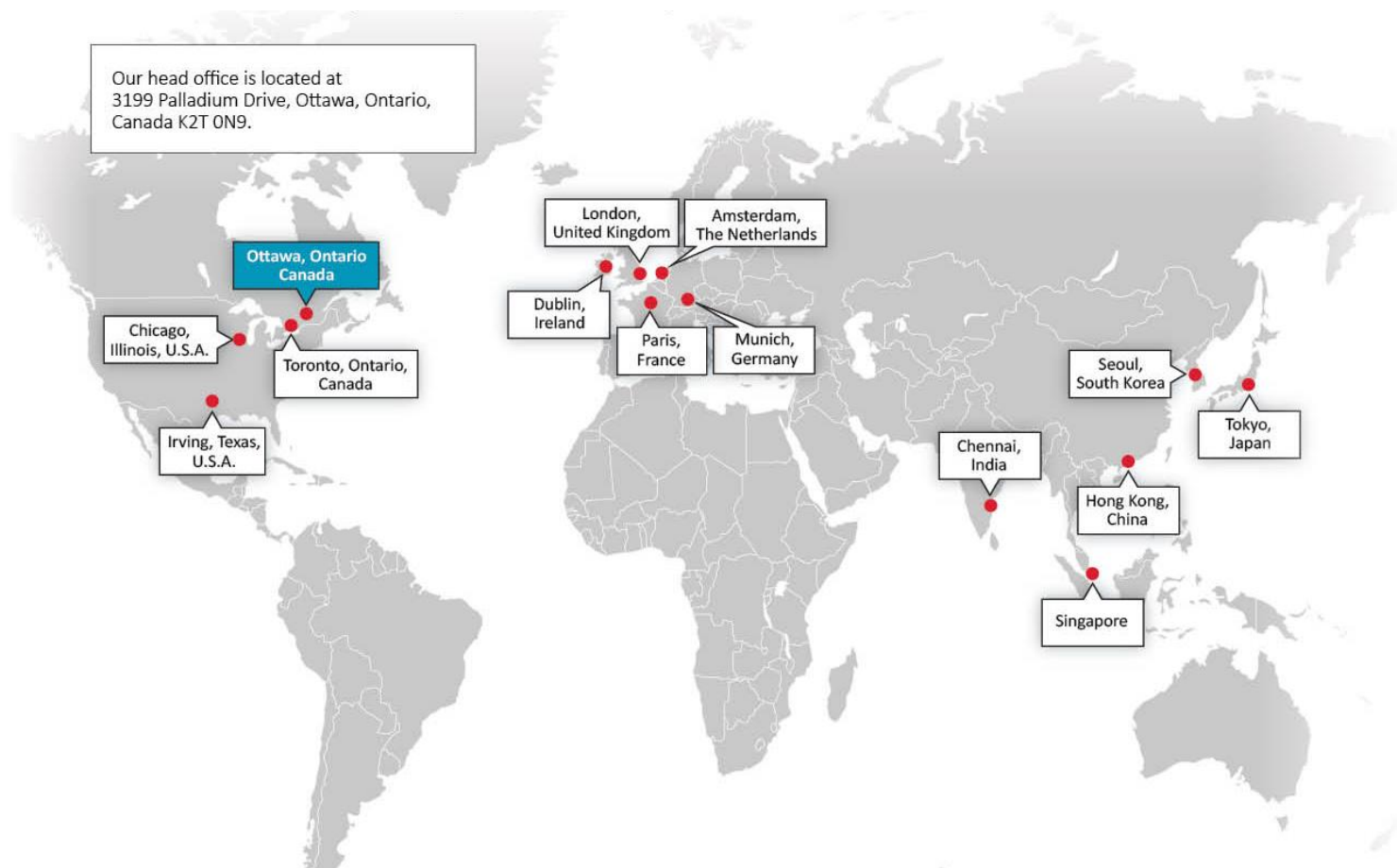
Kinaxis® is a leading provider of cloud-based subscription software that enables its customers to improve and accelerate analysis and decision-making across their supply chain operations. We combine human intelligence with artificial intelligence (AI) and our unique concurrent planning technique to help companies plan for the future, monitor risks and opportunities and respond at the pace of change.

Our industry-proven applications and extensible, cloud-based RapidResponse® platform empowers planners, business leaders and information technology (IT) professionals to know sooner, act faster and remove waste so they can make decisions that improve the bottom line, make better use of resources and facilitate better work-life balance.

We're a Canadian company, headquartered in Ottawa, Ontario.

KINAXIS AROUND THE WORLD

We currently have RapidResponse® users in over 90 countries, and we continue to expand our operations internationally.

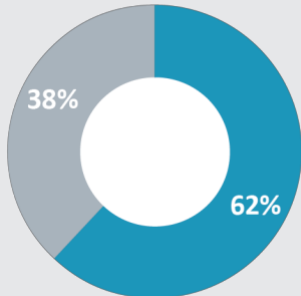


REVENUE BY GEOGRAPHY

The graphs below show our revenue by geography for the last two fiscal years:

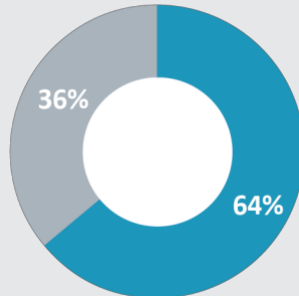
2021

Year ended December 31



2020

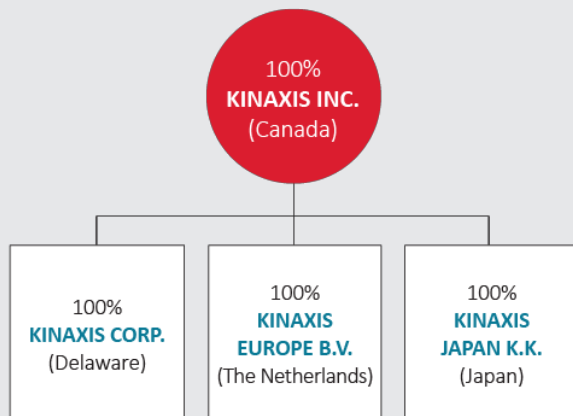
Year ended December 31



● North American customers ● European and Asian customers

STRUCTURE

The image below shows our material wholly-owned direct and indirect subsidiaries:



HISTORY

We've been pioneering supply chain innovation for more than three decades. Founded in 1984, we changed our name to Kinaxis Inc. in 2005 and became a public company in 2014.

1984

Incorporated on June 29 as Cadence Computer Corporation under the *Canada Business Corporations Act* (CBCA)

Launched an in memory planning engine, cutting run times for material requirements planning (MRP) from days to minutes

Changed our name to Carp Systems International Inc.

1991

1994

Changed our name to Enterprise Planning Systems Inc.

Shifted our focus from hardware to software and released the world's first advanced supply chain planning platform

1996

1998

Changed our name to webPLAN Inc.

Continued under the *Business Corporations Act* (New Brunswick)

2001

2005

Changed our corporate name to Kinaxis Inc.

Became one of the first vendors to move to a software-as-a-service (SaaS) subscription model, giving companies flexible deployment options with lower capital spending

Continued back under the CBCA on July 24

2012

2014

Became a public company on June 10

Our common shares began trading on the Toronto Stock Exchange (TSX) under the symbol *KXS*

Extended our supply chain management platform by opening it up to third-party developers

2019

2020

Made our first two acquisitions

Have taken artificial intelligence (AI) beyond standard use cases, using it to solve real-world problems for both supply and demand planning

Achieved carbon neutrality

Joined the United Nations Global Compact

2021

Named one of Canada's Top Employers for Young People, one of the National Capital Region's Top Employers and one of Canada's Top 100 Employers

MAJOR DEVELOPMENTS

Early 2022

CUSTOMER NEWS

In February we announced Cardinal Health, a distributor of pharmaceuticals, a global manufacturer and distributor of medical and laboratory products and a provider of performance and data solutions for health care facilities, as a new customer to enhance their medical supply chain through concurrent planning and end-to-end network visibility and transparency.

PARTNER NEWS

We launched our Value Added Resellers (VAR) program with 20 initial partners around the world to provide mid-market enterprises and companies in new regions seamless access to advanced planning capabilities needed for digital supply chain transformation. VARs offer a feature-rich entry-level Kinaxis RapidResponse starter package, Planning One™, along with their own deployment and support services.

ORGANIZATIONAL NEWS

In January we announced our involvement as a founding member of Zero100, a new community-based education and research platform to connect, inform and inspire the new generation of leaders to invent supply chains that are zero carbon and 100% digital. Zero100 is co-founded by ex-Amazon, SCM World, Bill & Melinda Gates Foundation and Deloitte leaders. Kinaxis joins founding members from other leading consumer, industrial and tech brands, including Google, Unilever, Schneider Electric and more who are re-imagining the production, distribution and consumption of physical goods around the world.

2021

CUSTOMER NEWS

We announced new customers across various vertical markets and regions around the world including Mars, Incorporated, a leading global confectionary, food and pet care products and services company, Cyient, a global engineering, manufacturing and digital technology solutions company based in India, Crestron Electronics, an automation technology solutions company based in the United States, The Weir Group's ESCO, a leading company in the engineering, manufacturing and servicing of mission-critical equipment used in the mining and infrastructure markets, California-based Infinera, a pioneer of advanced open optical networking solutions, and Advantest Corporation, the largest manufacturer of testing devices used in the semiconductor production process.

We also announced a number of new customers in the medical and pharmaceutical fields: Mölnlycke, a global designer and supplier of surgical and wound care products headquartered in Sweden, U.S.-based Viant, a global medical device design and manufacturing services provider, Alvogen, a global generic brand pharmaceutical company, and Exelixis, an oncology-focused biotechnology company headquartered in California. By the end of the third quarter of 2021, Kinaxis had more than tripled new customer wins compared to the same period of 2020.

In June *Supply & Demand Chain Executive* named Bell, a global manufacturer of military and commercial vertical-lift aircrafts, and Kinaxis as a recipient of the Top Supply Chain Projects Award for 2021. Formerly known as SDCE 100, the award spotlights successful and innovative transformation projects that deliver bottom-line value to enterprises across a range of supply chain functions.

PARTNER NEWS

We continued to expand Kinaxis PartnerLink, our global ecosystem of trusted, like-minded partners with mutual growth objectives. We announced the addition of several new System Integrators (Aeonvis, De Philmain, HCL Technologies, Nomura Research Institute, REPL Group, Bristlecone, CJ OliveNetworks, iOG Solutions, Mark9, PCI Solutions, Valtitude and ZS) and Referral Partners (Grange Partnership, Iter Consulting, Kaptura, Plantensive, Waku Consulting, Bolders Consulting Group and Boston Strategies International).

With respect to our Solution Extension Partners, we announced the certification and availability of Kinaxis Transportation Load Optimizer, a collaboration with 4flow, a leading provider of supply chain optimization services. The new solution is designed to drive efficiency and reduce transportation spend and CO² emissions for greater sustainability. In 2021 we also certified and made available other joint solutions, with OCYO (Kinaxis Recycling End-to-End Planning) and PlanetTogether (Kinaxis Production Scheduling), during the year.

In June we announced a new solution extension partnership with LevaData, connecting LevaData's AI sourcing platform with Kinaxis' concurrent planning platform to gain resiliency and agility across procurement, sourcing and planning.

2021 (continued)

PRODUCT NEWS

We were positioned furthest on the Completeness of Vision axis in the Leaders quadrant of the 2021 Gartner Magic Quadrant for Supply Chain Planning Solutions. This is the seventh consecutive time Kinaxis has been named a Leader in a Gartner Magic Quadrant related to supply chain planning (Source: Gartner, Magic Quadrant for Supply Chain Planning Solutions, A. Salley, T. Payne, P. Orup Lund, Feb. 22, 2021).

ORGANIZATIONAL NEWS

In February we were named one of Canada's Top Employers for Young People and one of the National Capital Region's Top Employers, receiving recognition for our commitment to employee growth, strong culture and community support.

In March we announced the 2021 lineup for the Kinaxis InConcert series with concerts streamed from Twillingate, NL to Edmonton, AB to Vancouver, BC.

In August Richard Monkman retired as Chief Financial Officer and Vice President, Corporate Services after 15 years with Kinaxis and was succeeded by Blaine Fitzgerald, formerly Executive Vice President, Finance. Previously, Blaine was Vice President of Finance at Shopify and joined Kinaxis in March 2020 as part of the planned transition into the CFO role.

In September we published our global impact report for 2021 and announced that we had achieved carbon neutrality for 2020 and aligned our core environmental, social and governance (ESG) commitments to support six United Nations Sustainable Development Goals.

In October we reaffirmed our commitment to further our sustainability goals by joining the United Nations Global Compact, a special initiative of the UN Secretary-General and a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption.

In November Kinaxis was named one of Canada's Top 100 Employers for 2022 by publishing company Mediacorp. The national award recognizes employers with exceptional human resources programs and forward-thinking workplace policies.

2020

CUSTOMER NEWS

We announced new customers across various vertical markets and regions around the world including pharmaceutical companies Dr. Reddy's Laboratories Ltd. and H. Lundbeck A/S, entertainment experience company Technicolor, the medical systems division of FUJIFILM Corporation, aerospace and defense contractor L3Harris Technologies, Inc., medical device company Hollister Incorporated and leading beauty company Coty Inc.

We also signed and renewed customer contracts during the year including our contract with Casio Computer Co. Ltd., a Kinaxis customer since 2003 and our first customer in Japan 17 years ago, as they continue to leverage RapidResponse and its suite of applications to manage its major products and global supply chain.

Additionally, we renewed our agreement with Alstom, a global leader in the mobility industry, to expand their use of RapidResponse to another five locations, bringing the total number of users in their train manufacturing to more than 500 globally.

We also celebrated 25 years of working together with Teradyne, an industrial automation solution provider. Teradyne leverages Kinaxis to enable end-to-end supply chain visibility, drive integration and collaboration across internal departments and external suppliers, and accelerate strategic initiatives like M&A.

PARTNER NEWS

We continued to expand our partner alliance network globally, announcing new partnerships with Synchronic, 4flow, WiproLimited, Pactera Consulting and CUBE SYSTEM INC. Synchronic of Denmark helps customers transform business processes and achieve time-to-value sooner through an integrated supply chain management strategy. 4flow provides supply chain strategy consulting, implementation and optimization services in over 15 locations in Europe, North America, South America and Asia. WiproLimited, headquartered in India, is a leading global information technology, consulting and business process services company with employees and operations in six continents. Pactera Consulting is a Japanese subsidiary of Pactera, a global technology company that delivers digital consulting, IT system solution implementation and operational services to customers. Founded nearly 50 years ago, CUBE SYSTEM INC. is an independent system integrator in APAC that provides a variety of services including system design, maintenance and operation services and business process improvement.

We introduced Kinaxis PartnerLink, an enhanced global partnership program to empower the global partner ecosystem and support mutual growth objectives. The program has five partner types, including a new partner type – Solution Extension Partner – and three new partners in the category: 4flow (see above), OCYO Consulting (operational supply chain experience from product design to recycling) and project 44 (supply chain visibility solutions for shippers and logistics).

PRODUCT NEWS

We helped customers get started on the path to supply chain transformation with a new rapid deployment process option in as few as six weeks. Based on our common RapidResponse platform and unique concurrent planning technique, companies can add immediate agility and resilience to respond to business turbulence. Companies can realize immediate value and seamlessly expand capabilities across our ready-to-deploy industry best practice applications over time per their unique requirements.

We announced a new dedicated Command & Control Center application on the RapidResponse platform that features new and enhanced AI capabilities to help accelerate intelligent decision-making from the C-suite to the production floor.

We strengthened our demand management solutions portfolio. With enhanced demand sensing capabilities, companies can increase revenue, keep customers happy and significantly reduce stock outs by incorporating real-time demand signals, data inputs and automatic machine learning. The result is light-touch short-and long-term forecasting and improved accuracy, without the need for a team of data scientists. The addition of AI-powered promotions planning capabilities helps consumer product and retail companies identify the best business opportunities, reduce missed-dollar opportunities and increase promo revenue uplift.

ORGANIZATIONAL NEWS

In January 2020 we acquired Prana Consulting, a supply chain consultancy based in India. Prana has been a key services partner for more than 15 years and the acquisition creates a hub that boosts our market presence and global scalability.

We welcomed Elizabeth (Betsy) Rafael, a former Apple and Cisco executive with deep experience in the technology industry, to our board of directors in February.

Blaine Fitzgerald, Executive Vice President, Finance joined Kinaxis in March and became a member of our executive leadership team.

We kicked off our Kinaxis Live (#KinaxisLive) virtual events on June 9 in North America and Europe, the Middle East and Africa (EMEA) and on June 11 in the Asia Pacific region (APAC) to help companies plan for the new normal.

We acquired Rubikloud Technologies Inc. (Rubikloud), a disruptive, emerging provider of AI solutions that automate supply chain prescriptive analytics and decision-making in retail and consumer packed goods (CPG), giving us a springboard into the enterprise retail industry. Kerry Liu, CEO of Rubikloud, joined our executive leadership team as Executive Vice President, Strategic Innovation when the transaction closed in July.

2020 (continued)

ORGANIZATIONAL NEWS

We were included in the 2020 TSX30™, a flagship program that showcases the top performing stocks on the Toronto Stock Exchange that represent sustained excellence over the long term. Kinaxis shares increased 140% over the three years ending June 2020 and outperformed more than 500 stocks to achieve the recognition.

CEO John Sicard was recognized for his outstanding leadership and named 2020 CEO of the Year by the Ottawa Business Journal and the Ottawa Board of Trade.

In October 2020 we held Kinexions '20, our annual customer and supply chain innovation conference. This 100% virtual event was attended by over 1,700 supply chain practitioners, thought leaders, researchers and educators across six continents, 70 countries, all seven industry verticals we serve and 400 companies ranging in revenue from \$50 million to more than \$150 billion, making it our largest, most diverse Kinexions ever. Attendees enjoyed over 1,000 minutes of inspirational and educational content, across almost 40 sessions with thought leaders such as Simon Sinek, 12 customers, and Kinaxis and its partners.

In November we announced that Mike Mauger was promoted to Chief Customer Success Officer, leading the global customer support, customer success, knowledge management, deployment QA and cloud services teams to work in partnership with customers to anticipate, identify and address needs proactively.

In December we hosted Kinexions Japan 2020 to help manufacturers there plan without limits.

In December 2020 we became aware that our competitor Blue Yonder, Inc. had filed a complaint against Kinaxis in the United States District Court for the Northern District of Texas alleging patent infringement.

In collaboration with the Canadian Live Music Association (CLMA) we unveiled details of Kinaxis InConcert, a new performance series that will feature approximately 30 concerts live streamed from stages across Canada. The concert series will be funded via a Cdn\$250,000 sponsorship from Kinaxis and facilitated through an application process available to all professional live music venues.

Dr. Anne Robinson, Chief Strategy Officer, was unanimously selected as the recipient of the international 2020 Martin K. Starr Excellence in Production and Operations Management Practice Award.

2019

CUSTOMER NEWS

We announced new customers across various vertical markets and based in regions around the world including automotive companies Honda and Yamaha Motor, life sciences company Novartis AG, high-tech and electronics companies Johnson Electric and Lenovo, and consumer goods company BAT. We also announced contract extensions with Creation Technologies (high-tech and electronics), Schneider Electric (industrial) and Unilever (consumer goods). We and our customer Lippert Components were named to the Supply & Demand Chain Executive's 100 Top Supply Chain Projects for 2019. We also signed and renewed other customer contracts during the year.

We hosted our largest-ever in-person annual Kinexions conference for Kinaxis users and supply chain innovators in Orlando, Florida in October, followed by our regionalized event, Kinexions Tokyo in Japan in December.

PARTNER NEWS

We expanded our alliance network globally announcing six new partners including Argon Groupe (then known as Crimson & Co), EY and bluecrux based in Europe, Infosys based in India, ABeam Consulting in Japan and U.S.-based Spinnaker. Long-time customer Flex, based in the U.S., also signed a strategic partnership to offer Flex customers our planning capabilities. We also announced the strengthening of our relationships with EXA Corporation and JFE Systems Inc., both of which are based in Japan.

PRODUCT NEWS

We made a number of product announcements with enhancements around visibility, advanced analytics and machine learning capabilities. In late 2019 we announced our plans to expand RapidResponse to become the first and only concurrent planning platform with the power to create custom, interconnected applications and algorithms and operationalize external algorithms in practical and profitable ways across the supply chain ecosystem.

We were also named a Leader for the third time in the 2019 Nucleus Research Control Tower Technology Value Matrix.

ORGANIZATIONAL NEWS

We enhanced our executive leadership team with Anne Robinson joining Kinaxis as Chief Strategy Officer in January. Anne is responsible for accelerating our strategy development to add further value to customers.

In July we announced our plans to break ground on a new headquarters to accommodate our growing workforce and global expansion. The office will be in the Kanata West Business Park in Ottawa, Canada.

At Kinexions '19 in Orlando, Florida, we announced new planned enhancements to RapidResponse designed to help customers and partners maximize their competitive and intellectual advantage.

About our business

We earn most of our revenue from RapidResponse®, our supply chain planning platform. We also offer professional services, designed to help companies implement and integrate our platform solution, innovate and improve their supply chain processes, and train their staff.

RapidResponse is provided to customers as a subscription service. Our service is primarily cloud-based (software as a service, or SaaS), though some of our customers deploy RapidResponse on-premise, which we also support and maintain. You can read more about our products and services starting on page 16.

Our revenues are well diversified – no individual customer accounted for more than 10% of our revenue for the year ended December 31, 2021.

CONTRACTS AND PRICING

We enter into subscription agreements with our customers that are based on a monthly subscription fee that is typically prepaid annually.

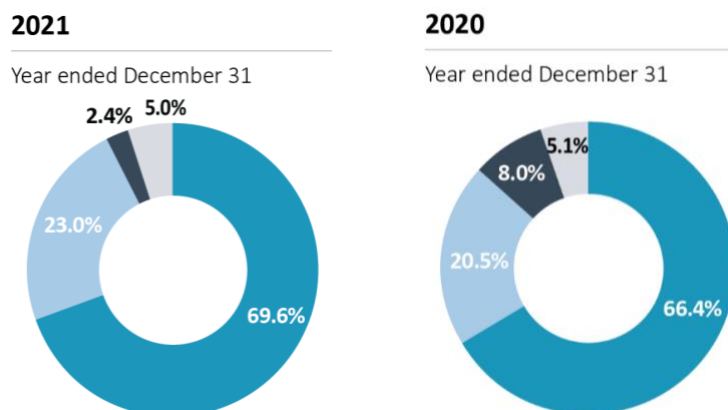
Pricing is based on a number of variables which typically includes, among other things, the number of end users in the customer’s organization and the number of applications, sites and environments required by the customer.

Agreements usually have a fixed term of three to five years. This results in a fairly smooth revenue growth curve with a remaining performance obligation (or backlog) that is significantly more than annual revenues.

Over recent periods, expansion of subscriptions in our existing customer base have accounted for approximately 45% of our SaaS revenue growth, while approximately 55% has come from new customers. You can read more about our customers and target market on page 12.

Revenue

- SaaS
- Professional services
- Subscription term license
- Maintenance and support



US\$ (thousands)

	2021	2020
SaaS	\$174,463 69.6%	\$148,873 66.4%
Professional services	\$57,640 23.0%	\$45,899 20.5%
Subscription term license	\$6,118 2.4%	\$17,890 8.0%
Maintenance and support	\$12,505 5.0%	\$11,527 5.1%
Total	\$250,726 100%	\$224,189 100%

SaaS revenue is comprised of subscription fees for provision of RapidResponse as software as a service in our hosted, cloud environment. This includes hosting services and maintenance and support for the solution over the term of the contract when the product is provided from the cloud under a SaaS arrangement.

Professional services revenue is comprised of fees charged to assist organizations to implement and integrate our solution and train their staff to use and deploy our solution. Professional service engagements are contracted on a time and materials basis including billable travel expenses and are billed and recognized as revenue as the service is delivered. In certain circumstances, we enter into arrangements for professional services on a fixed price basis; in these cases, revenue is recognized by reference to the stage of completion of the contract.

Subscription term license revenue is comprised of fees for the implied software component for on-premise and hybrid subscriptions, which is recognized as revenue upon term commencement. Hybrid subscription refers to the option of certain customers to take the hosted software on-premise.

Maintenance and support revenue is comprised of fees for the implied maintenance and support component for on-premise and hybrid subscriptions as well as a small amount of maintenance and support for certain legacy customers who licensed our software on a perpetual basis prior to our conversion to a SaaS model in 2005.

STRATEGY

With global supply chain disruptions on the rise, the focus on supply chain planning has never been greater, whether to deliver lifesaving vaccines or basics like toilet paper. Companies face tremendous pressure to be more agile and resilient than ever before in the face of extreme business uncertainty. Existing approaches to supply chain planning have been shown to be insufficient to address today's normal volatility in demand or supply nor the larger disruptions. Kinaxis' mission is to revolutionize planning by empowering people with the agility to make fast, confident decisions across integrated business planning and the digital supply chain. Kinaxis combines human intelligence with AI and concurrent planning to help companies plan for any future, monitor risks and opportunities and respond at the pace of change. Powered by an extensible, cloud-based platform, Kinaxis delivers industry-proven applications so everyone can know sooner, act faster and remove waste. The result is people can plan better, live better and change the world.

Market opportunity

Recent developments affecting the global economy, including outbreaks of illness such as the coronavirus (COVID-19) pandemic, trade and tariff disputes, Brexit, the blockage of the Suez Canal, and microchip shortages have introduced many disruptions to global supply chains. In addition, the threats posed by climate change have prompted businesses to place increasing focus on the sustainability of their operations, including the reduction of emissions and harmful materials in their supply chains.

Our solution is oriented not just to helping businesses optimize their supply chain and manage through 'normal' day-to-day variability – but also to help with adapting to these volatile disruptions with agility and resilience. Our unique concurrent planning applications help customers to manage uncertainty by proactively monitoring and rapidly responding to unanticipated developments, and to strategically transform processes that address existing and future challenges.

Companies have told us that they are grappling with an overburdened workforce and a diminished appetite for large, risky investments in massive digital transformation. Against that backdrop, we have continued to seek innovative ways to get companies, no matter their size, budget or digital transformation timeline, started on concurrent planning and offer a full continuum of RapidResponse platform offerings that deliver immediate supply chain relief in as little as 12 weeks. RapidResponse allows our customers to streamline processes, break down traditional manufacturing silos and plan concurrently for every part of their supply chain – sales and operations planning (integrated business planning), demand planning, supply planning, control tower, inventory planning and capacity planning. The supply chain planning algorithms and analytics capabilities in RapidResponse create the foundation for managing multiple, instantaneously synchronized supply chain planning processes.

Growth

We believe RapidResponse is one of the most innovative supply chain planning systems of record in the marketplace and we continue to attract new customers across various vertical markets and regions around the world.

We have a four-point growth strategy, each of which is enhanced additionally by our platform expansion capabilities and Solution Extension Partners' applications:

1 Innovation first	Focus on delivering unparalleled supply chain agility and resiliency through technological innovation that combines our unique concurrent planning technique with the power of AI to augment and empower people
2 Deliver value to customers	Maintain our razor focus on delivering value to customers
3 Increase customer wins	Focus on new customer acquisitions and expansion of existing customers through direct sales through our internal sales force, and indirect sales supported by our strategic, reseller and other service partners
4 Leverage acquisitions and partnerships	Ensure successful integration of acquisitions and partnerships to leverage our success

Our competitive advantage

Concurrent planning

Our unique technique of concurrent planning delivers a supply chain that's completely connected and in sync. Everything from our architecture to applications to our always-on advanced algorithms enable us to continuously and instantly synchronize the end-to-end supply chain without data duplication or waiting for timely batch runs.

Speed and flexibility of scenario planning and analysis

Our scenario planning and analysis capabilities allow for multiple users to create a large number of scenarios at the same time – without impacting performance. Our patented technology is designed to enable Kinaxis customers to have its users simultaneously simulate anything, anytime in seconds without ever getting out of sync thanks to our full and lossless digital twins.

Fastest deployment of our ready-to-configure applications

At just 12 weeks, we believe we have the fastest in-production end-to-end go-live for advanced planning in the market. Our RapidStart methodology uses tailorable best practices to accelerate time-to-value and when paired with our Kinaxis Planning One™ package, acts as a low-cost foundation for digital transformations across companies of any size or maturity level.

Modern technology platform (RapidResponse)

With our single integrated planning platform, the data, processes and people are connected into a single contiguous whole, delivering a consolidated view of the entire supply chain. We offer ready-to-configure applications and algorithms that embody decades of supply chain practitioner and industry experience. Our purpose-built Cognitive Network Graph provides rich representation of the end-to-end supply chain network and relationships. Our use of AI for autonomous planning leaves no practitioners left behind – empowering people to focus on high value-add activities, leveraging machine learning for insight assistance and automatic resolution of mundane tasks. We leverage comprehensive data sets for planning with big data and analytics for internal and external network signals, including adjacent supply chain areas (such as transportation).

Open platform and solution extensions

Our platform extensibility, scalability and ecosystem expansion enables customers and partners to create new capabilities, with no code and low code options, to expand the footprint of RapidResponse, which is proven to scale to meet the needs of any size customer.

Easy to use

RapidResponse is easy to use and business applications can be expanded over time. These features translate into a loyal user base, ongoing penetration within the customer's organization and increasing business value over time.

Partner network

Our channel programs and partnerships continue to advance and grow across regional and global system integrators, referral partners, resellers and solution extension partners. Our new VAR program means continued expansion of our coverage, reach and deployment capacity globally.

Academic program

We launched the Kinaxis Academic Program in March 2020 and since its inception have given virtual guest lectures to more than 4,000 students around the world, connecting stories from the front lines to the concepts students are learning in the classroom, and augmented them with the creation of three academic case studies that have been incorporated into many curricula. We have also established partnerships with leading academic institutions in support of critical activities like student case competitions, new degree programs and collaborative research programs. We believe it is our responsibility to contribute current, practice-based examples to academia so students can enter the workforce prepared and professors can contribute to research with an understanding of today's trends and challenges.

GOVERNANCE AND OVERSIGHT

Good governance plays an important role in our overall success and in enhancing shareholder value.

About the board

We're committed to assembling a strong and engaged board of qualified and experienced directors who ensure strong stewardship of Kinaxis and carry out their duties and responsibilities effectively.

Our board consists of eight seasoned professionals with top-level experience across multiple industries and business disciplines and seven of our eight directors are independent.

The board is responsible for supervising the management of the business and our affairs, focused on enhancing and preserving long-term shareholder value and ensuring that Kinaxis conducts business in an ethical, sustainable and safe manner. The board has three independent standing committees to help it carry out its responsibilities:

Board of directors	Audit committee	Compensation committee	Nominating and governance committee
<p>Has overall governance responsibility including:</p> <ul style="list-style-type: none"> • strategic planning • risk management • CEO leadership and succession planning • board assessment and succession • engagement and communications 	<p>Oversees the integrity of our financial statements and financial reporting process, the qualifications, independence and work of our external auditors, the work of our financial management, internal controls, and enterprise risk management program</p>	<p>Oversees our human resources and compensation policies and processes, executive compensation including incentive and perquisite plans, talent management and succession, as well as director compensation</p>	<p>Oversees our governance policies and practices, the strategic planning process with the board and management, board composition including skills, attributes and experience, director development, board assessment and succession and all ESG matters</p>

You can read more about governance and the board on our website (www.kinaxis.com) and in our 2021 management information circular, and on our website and on SEDAR (www.sedar.com). Our 2021 global impact report (also available on our website) discusses the important steps we've taken to significantly mature the governance of impacts and opportunities related to promoting global sustainability and social good.

Management structure

We've built a strong senior leadership team that's focused on executing the company's strategy, driving our growth and success, and fostering a culture that prides itself on the stability of an established company and the heart of a start-up.

John Sicard, our President and Chief Executive Officer (CEO), heads the executive leadership team, which includes 10 other executive officers.

You can read more about our executive leadership team starting on page 46 and recent changes under *Major developments – Organizational news* on page 5.

Risk oversight

Risk oversight is critical to the board's responsibility of safeguarding the assets and business of Kinaxis. The board oversees the principal risks of our business and makes sure that appropriate systems are in place to effectively monitor and manage those risks.

Enterprise risk management program

We have been working diligently to mature our enterprise risk management (ERM) program with the goal of integrating risk management procedures and practices across the organization. We focused on various aspects of risk, including risk identification, risk prioritization, risk assessment and treatment, risk monitoring and reporting our risk governance structure.

Our ERM program establishes clear risk oversight and drives accountability, integrates risk management into our day-to-day operations and decision-making, strengthens organizational resilience, and increases risk awareness and communication.

ESG governance

ESG has its own distinct category in our ERM program and we report on metrics in line with the Sustainability Accounting Standards Board (SASB) guidance for Software & IT Service companies (see our 2021 global impact report on our website).

Our ESG governance structure includes the nominating and corporate governance committee of the board, the executive leadership team, the Chief Legal Officer and a new cross-functional ESG steering committee. Established in 2021, the ESG steering committee meets regularly to receive input from and give guidance to the entire organization on how we can improve our ESG performance. The committee is led by our risk management leader and reports to our Chief Legal Officer who brings matters to the full executive team and reports findings and recommendations to the nominating and governance committee of the board.

Working with the executive leadership team, the Chief Legal Officer is responsible for implementing the ERM program and reporting regularly on our principal risks to the audit committee and the board. Management and the board determine the risk profile of the principal risks, and members of the executive leadership team as well as other members of senior management have been designated as risk owners for each of the principal risks to closely monitor progress and ultimately ensure they are managed to acceptable levels.

Our work to date has strengthened the overall risk culture across the organization, supported by a strong tone at the top. In 2021 we refreshed our risk profile to reflect changes to our business and operating environments by completing detailed risk assessments of our principal risks and identifying new action items as a result, including for newly defined principal risks which had previously not undergone a detailed risk assessment. We also met more frequently to discuss and align on our risk strategy, and involved more people at all levels of the organization as participants and observers to support our strong risk culture.

Our approach to ERM is in line with good industry practices (ISO 31000: 2018, COSO ERM 2017) and incorporates our existing key business processes, peer and industry insights, emerging trends and opportunities, as well as engagement with key stakeholders across our business and corporate groups, the executive leadership team and the board.

You can read more about the risk assessment process and key risk factors starting on page 27.

CUSTOMERS AND TARGET MARKET

We serve the needs of Global Fortune 100, Fortune 500 and other large and mid-size companies, primarily focusing on companies with revenues over US\$250 million across seven vertical markets: high technology and electronics manufacturing, aerospace and defense, industrial products, life sciences and pharmaceuticals, automotive, consumer products and retail.

We also have customers outside these target parameters and may enter additional vertical markets, geographical regions and market tiers over time.

Customers are primarily global enterprises with complex supply chain networks and significant unresolved supply chain challenges.

Our customers tend to select RapidResponse as a purpose-built solution to holistically address an end-to-end supply chain planning requirement (concurrent planning), rather than using bundled solutions from enterprise resource planning (ERP) vendors like Oracle or SAP. We believe this market is growing because of several factors, including the increased complexity and globalization of supply chains, outsourcing, a diversity of data sources and systems, competitive pressures and a growing awareness of the criticality of creating truly agile supply chains, as highlighted by the COVID-19 crisis. At present, there are approximately 7,000 companies in our target market with revenues above US\$500 million and approximately 12,000 companies in our VAR target market with revenues below US\$500 million.

Entering new markets and tackling new customer use cases have been cornerstones of our growth and we expect that to continue.

SALES AND MARKETING

We sell RapidResponse primarily in North America, Europe, Scandinavia and select countries in Asia. The majority of our sales originate from our direct sales channel. With the introduction of our VAR program, we anticipate an increase in future customers purchasing through resellers and other partners for medium sized businesses and new geographies.

Direct sales

Our direct sales force is located in North America, Europe and Asia. The incentive compensation of our sales representatives is based on target revenue forecasts, with a focus on net new accounts and SaaS bookings. Additionally, we have salespeople focused on the management of existing accounts. Our salespeople have expertise in supply chain management in the vertical markets specific to the target customers in their region.

We also have industry principals, employees and contractors who are specialized experts and thought leaders in the vertical markets we serve. They provide our current and target customers with expert perspectives on process innovation and leading technology trends within their industries. We believe these experts increase our prospects' confidence in our ability to deliver, and they build a deeper understanding of how RapidResponse can align with their current and future supply chain requirements.

Partners

Our partner ecosystem allows us to further scale our business by offering our solution and associated professional services into new and existing target markets and expanding our product footprint within our customer base.

Our partners are recognized as trusted advisors in the supply chain industry, and they recommend and promote RapidResponse to their clients and offer professional services related to its implementation. We provide tools and resources to keep our partners informed of the latest product and industry developments.

In 2020, Kinaxis made a major investment and renewed its commitment to the ecosystem by launching a new and improved partner program called PartnerLink. This new structure leverages industry standard taxonomy and defines new areas for partners to engage and grow with Kinaxis. We welcomed 14 new companies to PartnerLink in 2021 (see page 4).

Our PartnerLink ecosystem includes:

- *Global System Integrators (GSI) and Regional System Integrators (RSI)* – for customers and prospects who require global or regional deployments, supply chain transformation and project management. Our GSI and RSI partners help us develop differentiated supply chain solutions designed to meet enterprise end-customer supply chain needs. After implementation, our partners have the opportunity to expand their own footprint with mutual customers through additional consulting and other professional services engagements. We expect these partnerships to continue to expand and evolve over time, with the end goal of bringing our leading-edge solutions to some of the largest companies in the world.
- *Referral Partners* – these supply chain experts provide tailored introductions to clients looking to leverage the solutions offered by Kinaxis.
- *Value Added Resellers* – resellers are trained and equipped to resell and support RapidResponse in select markets while earning recurring revenue from subscription fees. Resellers expand their footprint with their existing RapidResponse clients and find new opportunities for growth. They have full ownership of sales opportunities including finding leads, working through the sales cycle, managing implementation and providing support. We regard resellers as an extension of our sales force, and provide them with ongoing support, sales tools, training and networking opportunities.
- *Solution Extension Partners* – we've created a new model for our partners to build on the RapidResponse platform or tailor solutions adjacent to it. These partners help extend our solution and augment our ability to provide the fullest range of solutions demanded by our customers.

Our training and enablement program is designed to meet the needs of our current partners and to support the significant growth in new partners, for better and faster readiness to help meet the needs of our clients as we grow.

Marketing

Our marketing efforts are aimed at creating new sales opportunities, building awareness of the Kinaxis brand, elevating Kinaxis as a desired employer and promoting the expertise of our staff to position Kinaxis as an industry-leading supply chain solution provider.

Our goal is for decision-makers in our target markets to view us as an organization that truly understands and anticipates the challenges faced by global supply chain leaders.

Many of our employees are regarded as thought leaders in the industry and we leverage their expertise to increase our brand awareness and ultimately to generate customer leads. We promote this thought leadership through various industry outreach channels, including collaboration with other thought leaders and universities, our website, industry events (such as exhibiting at Gartner Supply Chain Symposiums), blogging, whitepapers, event presentations (internal and external), digital and direct marketing campaigns and webinars.

We hold an annual global user conference, called Kinexions, to bring together the Kinaxis community, industry thought leaders as well as potential new customers. Kinexions is usually held over four days and includes training, customer and industry keynote addresses, diversity programs, the Kinaxis product user forum called the *Kinaxis Experience Group*, industry breakout sessions as well as customer sharing of best practices.

We also host sessions for supply chain leaders to come together to share best practices and insights on how companies can navigate the future now and hear from thought leaders on compelling topics.

Competition

While we do not believe that any specific competitor offers the distinct value proposition (true concurrent planning, in particular) and integrated capabilities that we offer, our markets are rapidly evolving and highly competitive.

We face competition from other SaaS players, traditional on-premise supply chain software vendors, managed service providers and in-house solutions:

- *SaaS vendors* — several SaaS companies provide niche supply chain planning solutions to small and medium sized businesses as well as large enterprises. The advantage of SaaS for supply chain planning is well established, including higher service availability, enhanced performance and enhanced security.
- *Traditional on-premise software* — these vendors require customers to purchase, install and manage specialized software, hardware and value-added networks for their supply chain integration needs. This approach requires customers to invest in staff to customize, operate and maintain the software.
- *In-house solutions* — some companies develop custom in-house solutions, typically using spreadsheets, to address their unique requirements. This requires a heavy investment in the internal resources of such company to build and maintain the solution, and results in information siloes and delays.

Competitive software and consulting services vendors mainly include SAP AG, BlueYonder, Inc., OM Partners nv, Anaplan, Inc. and o9 Solutions, Inc. From time to time we also encounter other players in the market such as E2Open and OneNetwork.

PRODUCT MANAGEMENT AND DEVELOPMENT

Research and development has historically represented a significant portion of our overall operating cost model. To support the company's growth goals, we invest heavily in the following development activities:

- creating new applications and purpose-built advanced algorithms to expand what we have to sell in our vertical markets
- investing heavily in our intellectual property to maintain our competitive advantage in supply chain planning technology
- enhancing what can be built on the RapidResponse platform by third parties as part of our solution extension partner program
- researching new AI/ML and cloud software techniques and technologies to bring new innovations to RapidResponse
- building innovative and modern user interface elements to further enable an intuitive and efficient experience for all users.

Our customers operate some of the largest and most advanced supply chains on the planet. We work with them as co-development partners to help us evolve our product by adding new capabilities to solve today's most challenging supply chain problems. Enhancements we make are always part of our core product. As a result, our broader customer base benefits from our relationship with some of the largest and most successful global enterprises.

EMPLOYEES

We describe our culture with three words: *People Matter Here*. Taking care of our people is one of our four ESG commitments (see page 21). We have a set of core values and a strong employee value proposition. Our people are an important competitive advantage and we focus on nurturing our award-winning culture, supporting work and a work environment that builds a sense of purpose, and establishing policies and programs that actively promote wellbeing, diversity, equity and inclusion (see page 23).

We believe we have a great relationship with our employees – our 2021 engagement score was 87%, slightly down from 90% previously but 2% higher than our engagement benchmark group. We've been successful in retaining key employees, including members of our management team. None of our employees are represented by a collective bargaining agreement and we've never experienced a work stoppage.

As of December 31, 2021, we had 1,152 employees.

OPERATIONS

The infrastructure and logical components we use to deliver RapidResponse are physically hosted in secure, co-location data center facilities in the United States, Canada, the Netherlands and Japan. The facilities feature redundant and highly available systems for power, cooling and internet connectivity. They're also continuously monitored by security and data center personnel through systems including video surveillance, mantraps and biometric access controls.

These facilities and our agreements with our data center co-location partners can be scaled depending on specific needs. The data center co-location partners provide annual audit reports (including SOC 1 Type 2 and SOC 2 Type 2) and the facilities hold ISO 27001 certifications. We're proud to be the first Canadian company to receive the German Federal Office for Information Security (BSI) C5:2020 Type I Attestation. C5 (the Cloud Computing Compliance Criteria Catalogue) defines baseline security requirements for cloud service providers and is quickly gaining broad adoption among industry leaders (see page 25).

INTELLECTUAL PROPERTY

We protect our proprietary products and technology through a combination of patents, copyrights, trademarks, trade secret and contractual provisions consistent with industry practice.

We generally license our software under agreements that impose restrictions on the ability of our customers and partners to use the technology, such as prohibiting reverse engineering, limiting the use of software copies and restricting access and/or use of our source code. Generally, we maintain ownership of modifications and extensions of our software that we make for specific customers, although there may be restrictions on our re-use of the software in some cases.

We require our employees and consultants to sign non-disclosure and assignment of intellectual property agreements to avoid disclosure of our intellectual property and proprietary information. These agreements also require our employees and consultants to assign to us all intellectual property developed during their employment or engagement with us. We also use non-disclosure agreements to govern our interaction with business partners and prospective business partners and other relationships where disclosure of proprietary information may be necessary.

Our software includes software components licensed from third parties including open source software. We believe we follow industry best practices for using open source software. We also believe that replacements for third party licensed software are available either on an open source basis or on commercially reasonable terms.

Trademarks, service marks and domain names

We hold a number of registered and unregistered trademarks, service marks and domain names that are used in our business globally. Our registered trademarks include, without limitation: *Kinaxis*, *Kinaxis RapidResponse*, *RapidResponse*, *Kinexions*, *Supply Chains are Human*, *Know Sooner. Act Faster.* and *Know Sooner. Act Faster. Remove Waste.*

Patents

The table below sets out details about the issued patents we hold for key differentiating aspects of RapidResponse.

We also have three allowed patents and 105 patents pending in various jurisdictions around the world.

Title	Country	Patent number	Date of grant
Extended Database Engine Providing Versioning and Embedded Analytics	India	255768	March 21, 2013
A Method and System for Scheduling	India	279101	January 11, 2017
System and Method for Determining a Promise Date for a Demand in a Business Environment	Japan	4393993	October 23, 2009
System and Method for Determining a Promise Date for a Demand in a Business Environment	U.S.A.	8,015,044	September 6, 2011
System and Method for Determining a Demand Promise Date based on a supply available date	U.S.A.	7,610,212	October 27, 2009
Extended Database Engine Providing Versioning and Embedded Analytics	U.S.A.	7,698,348	April 13, 2010
Extended Database Engine Providing Versioning and Embedded Analytics	U.S.A.	9,292,573	March 22, 2016
Scheduling System	U.S.A.	7,945,466	May 17, 2011
Enhanced Performance for Large Versioned Databases	U.S.A.	9,710,501	July 18, 2017
Responsive Data Exploration on Small Screen Devices	U.S.A.	10,467,337	November 5, 2019
Co-operative Memory Management System	U.S.A.	10,776,260	September 15, 2020
Analysis and Correction of Supply Chain Design through Machine Learning	U.S.A.	10,832,196	November 10, 2020
Analysis and Correction of Supply Chain Design through Machine Learning	U.S.A.	10,846,651	November 24, 2020
Cache Management for Search Optimization	U.S.A.	10,936,501	March 2, 2021
Data Storage Using Vectors of Vectors	U.S.A.	11,138,233	October 5, 2021
Data Storage Using Vectors of Vectors	U.S.A.	11,144,522	October 12, 2021
Analysis and Correction of Supply Chain Design Through Machine Learning	U.S.A.	11,188,856	November 30, 2021

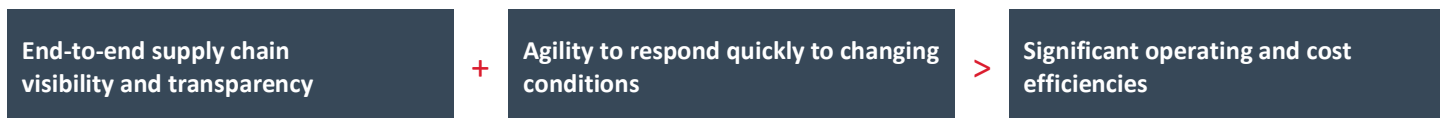
We may determine to take legal action against anyone infringing on our intellectual property rights. These actions may be prohibitively expensive or may not be successful, even when our rights have been infringed (see *Risk factors* starting on page 27 for more information).

Products and services

RAPIDRESPONSE

RapidResponse has a single extendable data model and algorithms engine, offering an array of supply chain applications that are all easily accessible through a common user interface.

By using our single cloud-based product rather than individual disparate software solutions, our customers realize a number of key benefits:



RapidResponse applications can be deployed individually or together and are designed to be highly configurable, so that customers can easily adapt the applications to meet their unique business needs without the heavy burden of ongoing custom coding.

RapidResponse has six main applications:

1. Sales and operations planning (integrated business planning)

- Addresses a high-priority function for most supply chain organizations: multiple groups across the organization achieve consensus on predicted demand for a discrete planning horizon (usually six to 24 months) and develop a corresponding supply plan to satisfy revenue and margin goals
- Facilitates mature and comprehensive sales and operations planning that achieves broader goals and fills the critical capability gaps that are currently found in most sales and operations planning processes

2. Demand planning

- Helps demand planners create an unconstrained consensus demand forecast that combines the statistical forecast with multiple functional forecast perspectives and events
- Includes new and enhanced AI capabilities to help accelerate intelligent decision-making from the C-suite to the production floor

3. Supply planning

- Helps planners use the unconstrained demand forecast and match it up with available and projected supply
- Helps planners create an aggregate supply plan with progressively more detail in the distribution requirements plan and the master production schedule, while collaborating with suppliers and managing the end-to-end supply chain

4. Inventory management

- Helps planners budget for and maintain the right quantities of the right parts and products at the right locations in the right quantities
- Allows customers to account for multiple variables in inventory planning calculations, including demand variability, supply lead-time and desired customer service levels

5. Command & Control Center

- Helps executives and planners monitor the health of their end-to-end supply chain, mitigate risk, seize opportunities and increase overall transparency and agility
- Ingests supply chain signals from a variety of demand and supply-side sources, including our Solution Extension Partners

6. Live Lens Insights

- Makes it quick, easy and affordable for executives and practitioners alike to keep their finger on the pulse of their business to identify trends and get ahead of change
- Ingests manufacturing resource plans (MRP) and delivers core capabilities such as end-to-end pegging and scenario capabilities to turn data into insights

We recently announced a new packaged offering called Kinaxis Planning One, which provides a low-risk, low-cost way for companies of any size to go from spreadsheets to advanced planning in weeks when paired with the Kinaxis RapidStart implementation approach. Planning One combines the essential capabilities of a control tower, including end-to-end visibility, root cause analysis and KPI-driven dashboards, with the instant and continuous synchronization of concurrent planning across demand, supply, inventory and operational planning. It's available via direct sales or through our VARs, who will provide Planning One to mid-market enterprises and companies in new regions with their own deployment and support services. Planning One is a single SKU that

bundles together standard RapidResponse platform capability with our Supply Planning Foundation, Demand Planning Foundation, and Inventory Management Foundation applications.

Recent enhancements

In 2021 we continued to innovate and bring new features and functionality to all areas of our product, including further improvements to our already leading user experience, allowing customers to have more flexibility over how they view and show their data.

The Command & Control Center became generally available, allowing customers to accelerate intelligent decision-making from the C-suite to the production floor using exception management driven by automated digital decision flows. Customers can also now ingest a wide range of supply chain signals from a variety of demand and supply-side sources, including Solution Extension partners, to provide deeper transparency across the end-to-end network as part of the Command & Control Center.

Our Solution Extension partner applications have continued to see traction among customers, with three applications now generally available:

- Kinaxis Production Scheduling by PlanetTogether: Combining concurrent supply chain planning and detailed production scheduling provides seamless collaboration and instant transparency between planners and schedulers, allowing customers to realize the full potential of their manufacturing plants and quickly adapt to changes in production sequence.
- Kinaxis Transportation Load Optimizer by 4flow: Improved material handling processes combined with seamless integration into Kinaxis S&OP application workflows allows for an improved view of rail, ocean, air and truck load transportation costs, reducing freight spend and increasing capacity utilization.
- Kinaxis End-to-End Recycling Planning by OCYO: Customers can maximize the recapture of recyclable materials by incorporating end-to-end reverse logistics into their supply chain planning, facilitating re-manufacturing and recycling across multiple business partners.

Technology

RapidResponse has been designed to support extremely large data sets, deep and complex supply chain algorithms, user communities measured in the thousands, and multiple simultaneous running applications – all while maintaining high speed response times on both desktop and mobile devices. Developing a single common platform that supports multiple market verticals and multiple applications requires an overall framework design built on extensive run-time configuration. These core tenets have been in place since product inception, and are key to supporting our continued expansion into new areas and markets.

In-memory database

RapidResponse uses a proprietary in-memory database, which is a database management system that relies on main memory for computer data storage, as opposed to more common systems employing disk storage only. In-memory databases can achieve faster speeds by accessing data in-memory, providing quicker and more predictable performance than disk-based systems. Unlike other in-memory technologies, RapidResponse has methods for optimizing both performance of traditional database queries as well as providing a framework for high-speed, complex analytics computations. These patented approaches often reduce key supply chain computations from hours on traditional architecture, to seconds or minutes in RapidResponse.

Versioning data engine

Users work from a virtual private copy of supply chain data in order to explore the impact and effectiveness of potential changes to supply chain data. RapidResponse uses patented technology to efficiently store multiple versions of data (called *scenarios*) using only incremental changes (deltas) in input data. This provides for access to numerous scenarios without incurring large storage costs and enables the system to create, store, compute and compare data from many more scenarios. Lower storage requirements also translate to lower access times and improved performance. These advantages are amplified with increased numbers of scenarios, as multiple users simultaneously explore different issues independently. Systems that compete with our product typically store complete copies of each set of input data or offer a lower granularity by storing partial or highly summarized input data. However, the storage requirements to save complete copies of each dataset (or version) can be very large, limiting the ability to support many simultaneous simulations or offer the same level of computation.

Algorithms

RapidResponse provides the algorithms, computations and analytics necessary to support every RapidResponse application. These highly optimized computations are key to planning functions as well as supporting *what-if* simulations. RapidResponse provides mass run-time configurability to integrate with multiple ERP brands and instances to provide a synchronized end-to-end view of an enterprise's supply chain. The code is directly compiled into the database engine where it has direct access to the in-memory structures and direct data relationships. Less movement of the data between the database and logic results in better performance. Replicating planning behaviours that are used in our customer's legacy ERP systems is typically part of how our customers configure RapidResponse, however, our algorithm library contains many advanced capabilities that do not exist in typical ERP systems. These

advanced capabilities are often used by customers, in addition to the logic from customers' ERP way of planning, to achieve higher levels of planning maturity compared to what's possible in legacy systems.

The development of our powerful and versatile algorithms has always been limited to our research and development area as these computations had to be compiled into binaries and shipped as part of our software releases. We recently extended the computation framework to allow others to develop more algorithms. We've enabled a mechanism for developers to code business logic in JavaScript (with the possibility of extending to other languages in the future) and embed into our computation framework to benefit from the same capabilities as our algorithms (on-demand execution, result set caching, smart invalidation and others) do. We call this capability *Embedded Algorithms* and it's foundational to our platform offering.

With our platform expansion capability, we're also capable of connecting to external algorithms and applications in a more robust manner beyond simple data integration. We call it *Connected Algorithms* or *Connected Applications*. This is central to how we expand our solutions and Solution Extension Partner ecosystem.

Machine learning (ML)

Historically RapidResponse computations have been heuristic-based, meaning rules defined by domain experts have been codified and packaged as algorithms in RapidResponse. With the advent of AI/ML techniques and the continuous growth of data, we're now also providing ML-powered solutions to some of the business problems our customers face, specifically around time series forecasting and predicting, classification and clustering.

Our approach to ML is pragmatic. We focus on real business problems experienced by our customers and provide an end-to-end solution that encompasses data/signal ingestion, feature engineering, ML model training and hyper-parameters tuning. Our customers do not require data science or ML skills in order to take advantage of our ML capabilities because we offer an autoML layer that includes interpretability of the results (both locally and globally) generated by our technology.

Our database versioning allows us to provide a self-healing capability to the planning function. Through continuous evaluation and prediction of planning parameters, RapidResponse will provide recommendations to heal aspects of the supply chain.

Network access and security

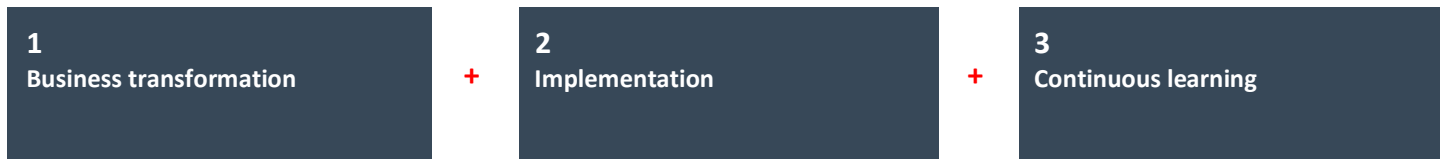
We strive to meet or exceed industry best practices and standards for data privacy and security. Adequate administrative, technical and physical security controls are in place and enforced for the RapidResponse service and are externally audited annually under the System and Organization Controls (SOC 1 and SOC 2) frameworks. We're also the first Canadian company to receive the BIS C5:2020 Type I Attestation (see page 25). Information we process on behalf of our customers is protected at rest and in transit over the internet using sophisticated encryption and transport protocols to help protect this information from unauthorized access and tampering.

We regularly test the infrastructure technical security controls by using automated vulnerability scanning tools and manual processes and test the RapidResponse service through application security vulnerability assessments. Other security services include 24/7/365 Security Operation Center monitoring performed using Security Incident and Event Management (SIEM) technologies paired with automated intrusion prevention, hardened firewalls, and centrally controlled antivirus/malware enforcement to help detect malicious activities and counter attacks. Physical servers hosting Kinaxis customer data are secured through 24/7/365 monitoring using CCTV systems integrated with physical access controls and alarm systems. Multi-level safeguards, including biometric access controls, are in place to ensure only authorized personnel have access to the dedicated cage spaces managed by us.

You can read more about data security on page 25.

PROFESSIONAL SERVICES

Our goal is to help customers maximize their return on investment and extend the use of RapidResponse over time. Our professional services business is evolving into a rich offering and covers three areas:



1. Business transformation

Business transformation is a critical first step in the process. Our executive advisors and business consultants work with customers to help them define the desirable benefits and return on investment from adopting our RapidResponse solution.

As supply chain experts and thought leaders, our advisors and consultants take a strategic longer-term view and work with customers to define a blueprint for a successful supply chain transformation.

Our team develops a customer blueprint document that captures the future process, organization and technology and sets out the direction for the design of the solution. The customer blueprint document also contains important information for detailed future planning workflows and the change management activities that are necessary to secure executive buy-in for the business transformation and user adoption of the new technology and ways of working.

Ensuring change management success

We've developed a unique change management methodology that leverages our intellectual property and domain expertise and puts customers on a successful path forward. Our methodology provides certification and helps customers set up and enable their own Kinaxis RapidResponse *Centers of Excellence* with skilled business and technical users.

2. Implementation

Regional teams carry out the implementation, which involves the program setup, project scoping, solution design, configuration, testing and go-live support of our software applications.

Each team consists of delivery directors and managers, solution and data/integration experts and focuses on the following main areas:

- detailed design of the RapidResponse solution to address a customer's unique supply chain management planning needs
- data integration and configuration of RapidResponse to support the customer's defined processes, planning and user workflows
- testing of RapidResponse to validate that it addresses the customer's business problems as defined
- ongoing customer support through our delivery teams in offshore deployment centers
- advanced analytics for ongoing monitoring, maintenance and data health checks to maximize the value of RapidResponse
- digital innovation and acceleration services for algorithm tuning and extension and to support the maturation of new applications.

Our RapidStart implementation approach can have customers live in-production in as few as 12 weeks. We leverage pre-configured blueprint templates based on best practices learned over decades of deploying RapidResponse at customers of all sizes and across industries. By using a templated approach in lieu of a custom blueprint, customers can get up and running faster and at a fraction of the cost.

3. Continuous learning

Our continuous learning services teams focus on accelerating the adoption of RapidResponse and the value we offer customers. Learning experts work with our employees, customers and partners, empowering them with the knowledge, skills and confidence to design, implement and use RapidResponse consistent with supply chain management excellence.

Learning programs are designed to provide a continuous path to competency with a variety of options, including classroom or virtual instructor-led courses, self-paced learning, and expansive subscriptions, all of which include access to experts and knowledge testing. The Kinaxis Certification Program allows RapidResponse users to validate their skills and expertise across various roles and skill levels to complete the learning paths. Implementers can access a large selection of bootcamp concepts and ongoing support.

Customers can access dedicated experts, as well as tailored training programs and customized content and exercises for customers who want to maximize user adoption by supplementing the basic subscription with self-paced training sessions.

Through the Kinaxis Learning Center (KLC), employees, partners and customers can access our eLearning solution and its rich functional and technical content, including our hands-on lab which replicates project tasks and environments to optimize students' learning.

GLOBAL CUSTOMER CARE

Customer excellence is an important value for us. The Global Customer Care team works cross functionally throughout the customer journey, with the majority of engagement once the customer solution is deployed in production. Global Customer Support works closely with our Professional Services group and takes over after the solution has been delivered to a customer and is in use, and the projects, implementations and deployments have come to an end.

The customer support team follows up on any enhancement requests to consider for future product development opportunities and proactively seeks out new ways to help customers through quality product support and upgrade services. The team also assists customers through their maintenance lifecycle to ensure they continually have access to the latest features of RapidResponse.

Our experts from the Kinaxis Center of Excellence have developed deep domain expertise from over 25 years of supply chain and RapidResponse experience. They're expert advisors to employees, partners and customers, and contribute to our RapidResponse best practices, hosting sessions to identify innovative solutions that continuously increase value for customers.

Kinaxis Knowledge Network

The *Kinaxis Knowledge Network* is our customer community portal and is a key resource for Customer Support services.

Our customers and partners can learn more about RapidResponse and discuss topics that are relevant to new and experienced users. Community members obtain access to key resources, including a support forum, video help library, product documentation and upgrade center. Users can also gain insights into best practices, discuss industry trends, and network with other users to identify different ways that RapidResponse can be used to address the challenges faced in supply chain management.

The Kinaxis Knowledge Network leverages the collective experience of the customer support team through the adoption of Knowledge Centered Services (KCS) practices. The KCS methodology creates Knowledge Base content through the support ticketing process. Information is extracted from support tickets and published to articles with no additional effort required by support agents outside of the normal ticket resolution process. The articles created through KCS are authored with a *solve once and reuse many times* philosophy. Articles are easily searchable and reused by Kinaxis support and RapidResponse users to achieve internal efficiencies and increase self-service by customers.

ESG

Our ability to achieve our strategic and corporate goals is driven by our commitment to environmental sustainability, social responsibility and good governance. In 2021 we made four core commitments that drive our ESG focus:

- 1. Protecting our planet by what we do best.** Creating a sustainable future is not only a key aspect of how we run our own business, but by combining human intelligence with AI and concurrent planning, we also empower our customers to make the best possible decisions for their businesses and the world.
- 2. Taking care of people.** *People matter here* is the foundation of our culture. Our teams are spread across the world, and each one is just as important to us as the next. We take great care in cultivating a socially conscious culture where we are all empowered.
- 3. Giving back.** We know that we are all global citizens. We support our communities and the causes where we can make the most impact.
- 4. Building trust through integrity.** We believe in our responsibility to build trust with all of our internal and external stakeholders – through openness, transparency and accountability, including the protection of all our stakeholders' data.

Global citizenship

In 2021 we joined the United Nations Global Compact, the world's largest sustainability initiative for companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption and to advance societal goals. We're focused on making a difference towards six of the United Nations Sustainable Development Goals (see the inside front cover and our 2021 global impact report on our website for more information).

1. PROTECTING OUR PLANET BY WHAT WE DO BEST

Our RapidResponse platform helps reduce wasted supply components, avoid expired product, reduce excessive end-product inventory, and ensure critical goods like pharmaceuticals are available when and where needed. By opening up our platform to third-party developers through our solution extension partner program, we now offer a platform that optimizes transportation utilization by creating fuller, more efficient loads, resulting in significantly reduced freight spend and carbon emissions. Another partner lets us offer recycling planning to plan and monitor recycling flows of incoming and outgoing products for dramatically enhanced sustainability.

RapidResponse is offered as cloud-based software-as-a-service (SaaS) under a single tenant data store model. We rely on enterprise-grade data center facilities for co-location of our infrastructure.

Managing our footprint

We're focused on reducing carbon emissions associated with our business operations. With the help of an independent consultant, we calculated our global Scope 1, 2 and 3 emissions throughout 2019 and 2020 and purchased high quality offsets, achieving carbon neutrality for 2020.



Of the total 3,921.21 tonnes of CO₂-equivalent in 2020, 2,390.41 tonnes were offset through Equinix's renewable energy credits (see page 22 to read about Equinix) and the rest (1,525 tonnes) were offset through the purchase of high quality offsets in the following projects:

- *Salora Wind Generation Project, Maharashtra, India* – this renewable-energy-based power generation facility in the Dhule districts uses the kinetic energy of wind to produce electrical power using five wind turbine generators, each with a rated capacity of 1.25 MW for a total of 6.25 MW overall. Wind projects such as this continue to displace the need for fossil-fuel-driven power plants and accelerate the country's sustainability goals while providing local, clean power.
- *Dempsey Ridge Wind Project, Oklahoma, U.S.A.* – this 132 MW wind power project consists of 66 Gamesa G90 2.0 MW turbines on approximately 7,500 acres of agricultural and grazing land, and generates enough electricity to power 46,000 homes while avoiding emissions from grid and fossil-fuel-based generation and providing jobs to the local communities. The project also creates arterial income for the farmers who have leased part of their agricultural land for the construction and use of the turbines.
- *Newfoundland Climate and Ecosystems Conservancy Project, Newfoundland, Canada* – this greenhouse gas mitigation initiative through engineered wetland systems for wastewater treatment represents the first carbon offsets ever generated in the province of Newfoundland and Labrador. The project treats wastewater and sludge from municipalities in an effective manner to eliminate the environmental impacts of discharging raw wastewater into watercourses and sea. This wastewater treatment solution also consumes much less energy and emits less GHG than typical wastewater treatment systems.

The table below sets out our emissions data for the 2019 and 2020 fiscal years. Direct emissions (Scope 1 and 2) make up a very small fraction of total emissions, at 1.5%. In Scope 3, our two main sources of emissions are, by far, air business travel and data servers.

Emissions generating activities	Tonnes CO ₂ -equivalent (tCO ₂ e)			
	2019	2020	% of total emissions	Change year over year
Scope 1 (tCO ₂ e) – Direct emissions	8.15	11.90	0.3%	46.1%
Owned/controlled real estate – stationary combustion (heating)	8.15	11.90	0.3%	46.1%
Scope 2 (tCO ₂ e) – Indirect electricity emissions*	45.99	46.88	1.2%	1.9%
Owned/controlled real estate – market-based electricity ¹	45.99	46.88	1.2%	1.9%
Scope 3 (tCO ₂ e) – Other indirect emissions	7,959.82	3,862.43	98.5%	-51.5%
Leased real estate assets – heating and electricity ²	9.36	32.57	0.8%	248.2%
Data server – electricity use ^{3,4}	2,515.29	2,396.66	61.1%	-4.7%
Vehicle mileage and car rentals	146.11	45.33	1.2%	-69.0%
Business travel – hotel stays	64.71	7.78	0.2%	-88.0%
Business travel – rail	0.29	0.03	0.0%	-90.2%
Business travel – air	5,132.43	1,182.42	30.2%	-77.0%
Remote work (home offices)	91.64	197.64	5.0%	115.7%
Total (tCO₂e)	8,013.96	3,921.21	100.0%	-51.1%

* The Kinaxis GHG inventory includes Scope 2 electricity emissions calculated using the market-based method. Renewable energy credits (RECs) were not purchased by Kinaxis during the reporting period, and supplier-specific factors were not available. As a result, market-based and location-based Scope 2 GHGs are considered identical for reporting purposes.

1. Kinaxis reports Scope 2 GHGs using the market-based method to reflect potential future renewable energy purchases. The company did not procure RECs for its operations in the 2019 or 2020 fiscal years. Location-based Scope 2 GHGs were assessed as being identical to market-based Scope 2 GHGs.
2. Kinaxis occupies limited square footage leases in large office buildings. As a result, the company is not assessed to have operational control over its non-Canadian leased office spaces.
3. Some of Kinaxis' data server vendors source RECs to mitigate electricity GHGs, however Kinaxis reports data server emissions as a purchased goods & services Scope 3 category using location-based emission factors, prior to the application of supplier-purchased RECs.
4. Includes electricity use from Kinaxis' primary data server vendors; minimal electricity use associated with public cloud providers is excluded.

As a global SaaS company, our environmental footprint is largely related to our cloud infrastructure and business travel. Our most material contribution in 2020 came through the energy we consumed hosting RapidResponse for our customers and delivering it as a service from our co-location data centers. We expect our contribution from business travel to increase once the situation with the COVID-19 pandemic eases and things open up.

We're committed to reducing our carbon emissions over the long term and will continue to offset any emissions that remain after our reduction efforts. Since work habits and corporate travel have been significantly impacted throughout the pandemic, we intend to use the 2019 data as a baseline to measure future variations in GHG emissions year over year.

Our newly formed ESG steering committee will be tasked with discussing and recommending approaches to setting carbon targets and considering more robust carbon reduction programs ahead.

In the cloud

Equinix serves as our primary co-location data center, ranked by International Data Corporation (IDC) as one of the world's leading service providers and highly regarded for their technical leadership and reliability and leadership in sustainability. Equinix was ranked fourth on the U.S. Environmental Protection Agency's national list of green power users in 2020 and has received several other accolades for its superior achievement across all aspects of ESG performance.

Our 2021 renewable energy certificate from Equinix confirms 100% renewable energy use across our Equinix co-location facilities, which are located in the United States, Japan and the Netherlands. Equinix estimated our 2021 energy consumption at 8,287 MWh of electricity consumption based on contract data, including both Kinaxis IT infrastructure load and Equinix overhead load. This represents a 43% increase in energy consumption from 2020 due to increased capacity requirements as a result of overall growth and expansion, following a 6% decrease in 2020 compared to 2019.

We also use Vantage Data Centers (Vantage) for co-location services in Montreal, Canada. According to Vantage, the Montreal campus boasts industry-leading power-usage-effectiveness that includes advanced equipment and uses nearly 100% hydroelectric power, creating very little greenhouse gas and no harmful waste. Vantage Montreal also leverages the colder climate to its advantage by using outside air for free cooling almost the entire year.

On the ground

At the end of 2021, nearly half of our 1,152 employees were based in the Ottawa area, where our head office is located. However, many of our employees began working remotely in 2019 as we outgrew our space, and as a result of the COVID-19 pandemic the vast majority of our non-remote employees have been working from home as well. In July 2019 we announced that we were beginning preparations for the construction of a new building nearby.

As part of our upcoming move and the ongoing COVID-19 pandemic, we provided all our staff with the tools necessary to work from home and have reserved most of our existing office space for our core research and development team so they could function as a unit, when it is safe to do so.

Our new building promises more opportunities for improved sustainability and wellbeing and is being designed to meet the Platinum level of the WELL Building Standard®, which focuses on seven concepts of holistic wellbeing. The new building will be completed in early 2022 at which point we hope to welcome our Ottawa team back to headquarters. We expect a hybrid office/work-from-home approach going forward, which should permanently reduce our carbon footprint from pre-COVID-19 times.

2. TAKING CARE OF PEOPLE

Our culture has six core values that define who we are, form the basis of everything we do and are fundamental to our success:

- Be real
- Be empowered
- Stronger together
- Laugh often
- Be customer centric
- Be a global citizen

Culture is translated in our actions, our ways of working together and our day-to-day behaviour, all supported by formal onboarding processes, training, education, leadership and corporate events, and through strong corporate governance.

Our Culture Ambassador Group consists of 18 culture ambassadors from across the organization who meet monthly to identify and plan ways to promote, drive and shape culture throughout the organization. They focus on ensuring Kinaxis culture is strong across borders and functions, supporting business strategy and goals, increasing employee engagement and satisfaction and ensuring that our culture is inclusive and reflects diversity.

Our positive workplace policy sets out our commitment to treat every employee with dignity and respect, and to have zero tolerance for discrimination, harassment, sexual harassment and violence. It establishes our commitment to fair treatment of employees, upholding human rights and paying fair wages.

Our code of business conduct and ethics sets out the high standards of ethical behaviour that we expect of everyone at Kinaxis. The code applies to directors, officers and employees and outlines principles to guide everyone's behaviour and actions.

Both governance policies were updated in 2021 and you can find these policies and others on our website (www.kinaxis.com).

About diversity, equity and inclusion

We updated our board diversity policy in 2020 and introduced a management diversity policy that sets out the importance of diversity by gender, age, disability, sexual orientation, geographic representation, Indigenous status and ethnicity. We believe that the board and the company as a whole benefit from a broad range of perspectives and experience, and are free of conscious or unconscious bias and discrimination.

We also created a diversity, equity and inclusion committee in 2020, consisting of 31 members who provide their perspectives to hiring practices, talent assessment training materials and much more. Other initiatives aimed at promoting diversity, equity and inclusion include the implementation of mandatory training in unconscious bias and diversity and inclusion fundamentals and establishing employee resources groups such as Women in Kinaxis, LGBTQ+, Parents and Ethnic Diversity.

Eliminating waste

We have a comprehensive program to reduce, reuse and recycle – including reducing the energy our building lighting consumes, reusing older computers and furniture and purchasing new furniture that's 100% recyclable.

You can read more about the program in our 2021 global impact report on our website (www.kinaxis.com).

Enhancing our diversity, equity and inclusion practices

For key roles, 30% of candidates presented and 25% of candidates interviewed must be from underrepresented groups. And all Kinaxis interview panels must have at least one interviewer from an underrepresented group.

We launched mandatory unconscious bias and diversity and inclusion fundamentals training.

Our updated code of business conduct and ethics requires all employees to create a diverse, equitable and inclusive environment.

Our updated positive workplace policy commits Kinaxis to pay fair wages.

Prioritizing employee health and wellbeing

In 2021 we increased support for our people to help every employee and their families as they managed the impacts of life under the pandemic. We initiated and expanded a number of programs, including those for mental health, virtual care, counseling and home office support.

We also provided a steady stream of events and programs that feed the mind, body and soul, and designated the last Friday of every month as Kinaxis Day, a day off for all employees globally.

Every year we do a pay/gender gap analysis to monitor if unconscious bias has crept into our pay decisions for new hires and existing employees. We report the results to the board. In addition, our updated positive workplace policy commits Kinaxis to pay fair wages.

Under our Autism@Work program, we commit to hire 1% of our employees on the autism spectrum. This program has added a diversity of thought and innovation to our team, while at the same time helping individuals, their families and our community live with autism.

Our Accessibility Plan highlights our commitment to including people with disabilities in the Kinaxis team and working effectively with those outside the team.

We're also tracking more demographic data, appropriate to cultural values in our various jurisdictions, and we have gender diversity targets for the board and review management diversity every year. We consider diversity in our succession planning and leadership appointments and in 2021 we established targets for candidates presented and interviewed for key roles to ensure we are giving fair consideration to underrepresented groups. Interview panels must include members of underrepresented groups and all interviewers receive training in how to manage bias in the hiring process. The executive leadership team updates the board regularly on our progress on diversity.

Our voluntary company-wide diversity, equity and inclusion survey, which we introduced in 2020, had an average response of 80%. Key highlights include:

- 30% of Kinaxis employees are women
- 41% of employees are visible minorities
- 97% feel they are an accepted member of their team
- 95% feel that we treat each other with respect.

See page 14 to read more about employee engagement.

3. GIVING BACK

As part of our commitment as global citizens, we instituted a corporate giving program several years ago that includes two main direct giving streams:

- *Kinaxis-led charitable giving* – direct cash contributions, donations-in-kind (such as IT equipment, furniture, meeting spaces, etc.), paid time off for volunteering and corporate sponsorships
- *Employee-led charitable matching* – cash donations per hour volunteered by team members, matching employee donations and matching fundraising for employee events.

We also have community involvement guidelines that are designed to support charitable events and causes that will have value for the greatest number of Kinaxis employees.

Over the last year we've supported over 60 organizations that feed, house and provide medical and emotional care for those who need it most, guided in part by Kinaxis matching employee donations. Our support included corporate donations to the NAACP Legal Defense and Educational Fund, the Black Youth Helpline and other causes that aim to heal deep social inequities and divisions. For a Kinaxis employee who takes the Indigenous Canada course offered through a Canadian university, we've been making donations to Indspire, a charity that invests in the education of First Nations, Inuit and Métis people. We also contributed to the World Health Organization and to local food banks, wellness services and others, helping those most vulnerable to COVID-19. We also launched Kinaxis InConcert to help support Canada's live music industry, which was hit particularly hard during the pandemic.

4. BUILDING TRUST THROUGH INTEGRITY

We use the most highly advanced technologies available for data security and privacy, adhere to global standards and apply best practices to keep supply chain data safe, secure and accessible to only those who legitimately need it. Expert third parties verify our processes to ensure compliance.

Ensuring availability of service

RapidResponse leverages world-class internet service providers, data centers and content delivery network providers, which we've specifically selected to ensure high operational uptime and optimal connectivity, globally. The result for our customers is superior performance for their end users, regardless of location. Users securely connect to enjoy continuous access to their most valuable supply chain data across the globe, whenever or wherever it's needed.

Protecting our intellectual property

We protect our proprietary products and technology through a combination of patents, copyrights, trademarks, trade secret laws and contractual provisions, with customers, partners, employees and others. You can find more information about our approach to protecting our intellectual property on page 14 and under *Risk factors* starting on page 27.

Data security

We use highly advanced internet security technologies to keep supply chain data safe and secure and maintain customer trust.

User access management

Our customers select and know who can see their data. RapidResponse offers secure logins using HTTPS/TLS encryption, and customer-defined end-user permissions to access specific information and application functionality, including extending that access to their suppliers or customers. SAML/Single Sign On support simplifies logins, and customers can configure their own password management policies to align with corporate guidelines, including password expiry, complexity requirements and user lockouts.

Compliance with security standards

We engage a globally-recognized independent auditor firm to perform annual SOC 1 and SOC 2 audits of our service. We're proud to be the first Canadian company to receive the German Federal Office for Information Security (BSI) C5:2020 Type I Attestation. C5 (the Cloud Computing Compliance Criteria Catalogue) defines baseline security requirements for cloud service providers and is quickly gaining broad adoption among industry leaders. With C5, customers can more thoroughly assess cloud vendors prior to selection and after.

We also routinely conduct internal and external assessments – following documented enterprise-wide processes that include management oversight – to ensure the confidentiality, integrity and availability of customer data. These include:

- encryption keys in Federal Information Processing Standard (FIPS)-compliant stores
- certificates for secure bulk data transfers (SFTP)
- security information and event management (SIEM) service
- Open Web Application Security Project (OWASP) standards for third party penetration tests.

Data center security

We rely only on enterprise-grade data center facilities to host the RapidResponse service. Each data center facility implements best-in-class physical security.

Security monitoring

We've implemented a comprehensive network security monitoring system with fully automated intrusion prevention systems and perform scheduled and *ad hoc* security scans using advanced security tools. Our incident management processes include both automated and manual security monitoring, as well as a path for escalations of verified security risks, as defined in our incident handling procedures. Customers can quickly determine if service outages occur and review real-time availability and performance of our service anytime.

Secure administrative access

All administrative access by Kinaxis to customer data is controlled by a virtual private network with multi-factor authentication and firewall access control, and all data transmissions are encrypted. The audit committee receives regular updates from management on key security controls, processes and developments.

Data privacy

We're committed to protecting user privacy and personal data when we're collecting it, managing it or processing it.

Privacy policy

Kinaxis is committed to protecting the privacy of its employees' and customers' data. Every Kinaxis employee receives training on our privacy policy at regular intervals, but at a minimum, annually. The policy applies to personal information and other information collected by us or our service providers from or about:

- visitors to, or users of, our websites
- prospective and current customers using our services
- service providers and business partners
- prospective and current employees
- other third parties that we interact with.

Key security and privacy features

- SOC 1 Type II audited
- SOC 2 Type II audited
- BSI C5:2020 Type I audited
- Single tenant SaaS model
- 100% AES256-bit *in-transit* and *at-rest* encryption
- Disaster recovery time and recovery point objectives of no more than 24 hours
- Advanced security operations center (SOC) monitoring 24x7x365
- Industry-best practices for physical security

We obtain user consent before collecting personal information. Users can revoke their consent at any time and we will stop using and processing the personal information immediately.

We do not sell or otherwise disclose to third parties personal information we hold, except for the limited, legitimate circumstances described in the privacy policy.

While protection of all data is critical, the most material impact to our business relates to how we manage data privacy for prospective and current customers using RapidResponse.

Compliance

Our compliance programs address data privacy laws that apply to us, including the General Data Protection Regulation (GDPR) as set forth by the European Parliament in April 2016. GDPR mandates that Kinaxis protects the personal information and privacy of EU data subjects, and has become the global standard by which other privacy laws are measured.

We process customer data solely for the purpose of providing our RapidResponse solution and only in accordance with the terms and conditions of contract between Kinaxis and our customer, and other unique customer instructions. For the purposes of delivering RapidResponse, we act solely as a *data processor*, while the customer is always the *data controller*, consistent with the terms defined in the GDPR. Our customer contracts include a data privacy addendum that can include standard contractual clauses, which covers the data privacy practices used by us and our affiliated entities when delivering RapidResponse.

Customer control

Our customers maintain full control over the type of data that's processed as well as the exact purpose that we process the data for. Customers can access and extract their data at any time, as well as modify or delete it as may be required for them to meet their obligations under applicable data privacy laws.

No customer data is sold, distributed, or used for advertising. Customer data is only shared with third parties with our customers' consent, and to the extent we're required to do so for providing our services, and only after agreements with third parties are in place to ensure they will abide by all applicable data security and privacy obligations.

Throughout the term of a contract, customers have control over their data lifecycles. If a customer contract ends, the customer extracts their data and Kinaxis securely deletes all related data remnants in the SaaS solution, except if otherwise required by applicable law. If any customer data needs to be kept longer than the contract term, due to a legal requirement, the customer will be informed and Kinaxis will continue to safeguard the data, enforcing the same standards we use during the contract term, including best-of-class encryption methods (AES256-bit *in-transit* and *at-rest* encryption).

Our policies and practices include technical and operational measures to ensure the confidentiality, integrity and availability of customer data. These measures align with recognized industry standards such as the ISO 27000 family of standards, the Cloud Security Alliance, NIST 800 SP and others.

Data protection impact assessments

We conduct Data Protection Impact Assessments (DPIA) at least annually, and as necessary to evaluate privacy concerns in new systems or services, or existing ones that are undergoing major modifications. The DPIA process is designed to guide system owners and developers in assessing privacy through the early stages of development.

While we may update our privacy policies and practices from time to time, any updated policies and practices will never become less restrictive than previous ones.

Potential data requests and privacy breaches

Our data centers are located in Canada, the United States, the Netherlands and Japan. If there's an instance where we're required to provide customer data for a legally binding request for disclosure by a law enforcement or supervisory authority, we will promptly notify the customer, as permitted. We do not respond to data requests directly or without the customer's consent and involvement, unless we're legally required to do so.

You can read about ESG governance on page 11 and governance generally beginning on page 42. More information about ESG at Kinaxis is provided in our 2021 global impact report on our website (www.kinaxis.com).

Global compliance

- GDPR General Data Protection Regulation 2016/679
- Canadian Personal Information Protection and Electronic Documents Act 2000
- U.S. Federal Trade Commission Privacy Act 1974
- Japan Act on the Protection of Personal Information Law.No.57/2003
- Australian Federal Privacy Act 1988
- All other regional, federal or state data privacy laws that apply to our operations

Technical alignment

Our policies and practices align with recognized industry standards:

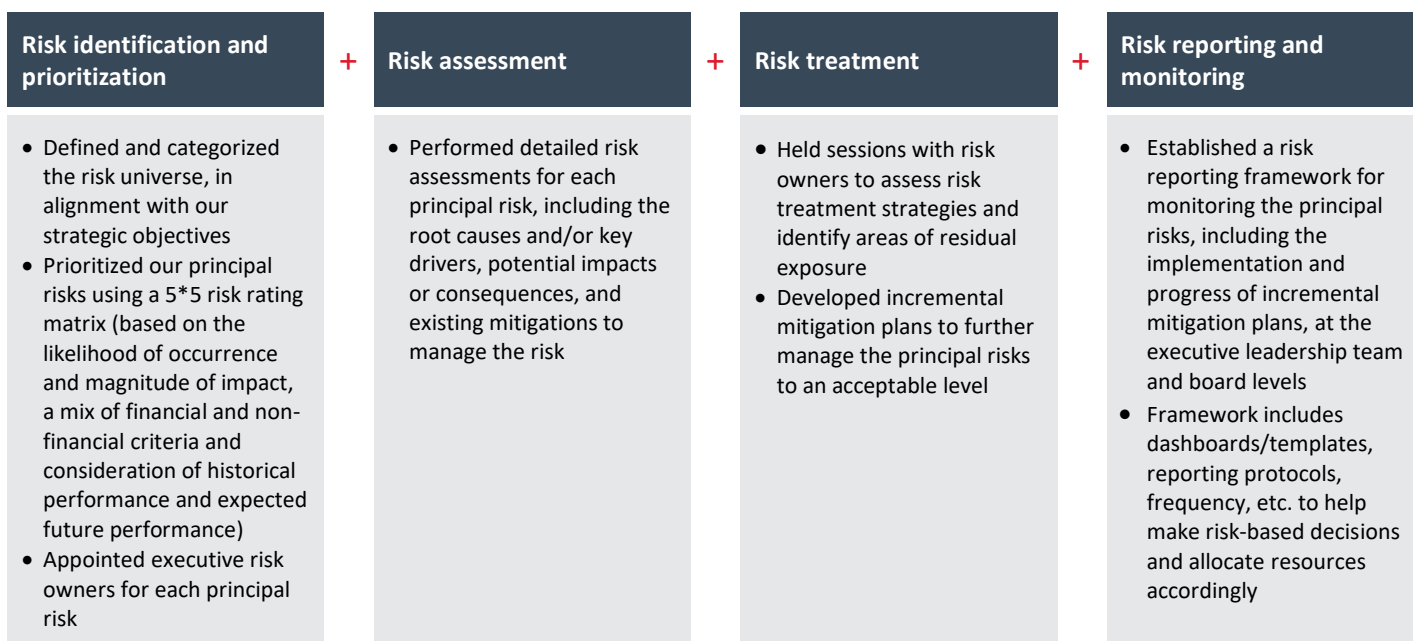
- ISO 27000 family of standards
- Cloud Security Alliance
- NIST 800SP, and others

Risk management

Over the past year, we have further embedded and matured our robust ERM program to ensure it is fit-for-purpose.

EMBEDDING ENTERPRISE RISK MANAGEMENT

We operate in rapidly changing economic, operating and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. These risks and uncertainties can impair our business and operations and cause our share price to decline. In 2020 we took important steps to harmonize our risk management policies and practices across the organization and formalize the foundations of a robust ERM program to manage risk, including the principal risks we face in our business.



The result is an ERM program with clear risk accountabilities across three lines of defense – our business and corporate units, executive leadership team and the board.

We based our ERM approach on individual and group discussions with key stakeholders across our business and corporate units, the executive leadership team, the board, as well as industry insights, trends and best practices, and learning about our local and global peers.

In 2021 we expanded our risk universe to include ESG as its own distinct category in our ERM program, leveraging our ERM approach to identify the ESG factors most critical to our business. Principal enterprise risks are monitored and reported on regularly to the audit committee, while material ESG factors are monitored and reported on regularly to the nominating and governance committee.

We also established a cross-functional ESG steering committee that is led by our risk management leader and reports to our Chief Legal Officer, who brings additional ESG matters to the full executive team and reports findings and recommendations to the nominating and governance committee of the board (see page 11).

RISK FACTORS

This section describes the risks and uncertainties that are most material to our business. If any of the following risks or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected. This could cause the trading price of Kinaxis shares to decline and investors could lose all or part of their investment in our common shares.

We've organized the risks and uncertainties into five categories for readability and prioritized them within each category.

Types of risk

Strategic.....	28
Financial.....	32
Operational.....	35
Regulatory and compliance	38
Other.....	40

These risks and uncertainties are not the only ones we face. There may be others that we may not be aware of, or that we may not consider material today but could become material in the future. Investors should carefully consider the risks described below and the other information elsewhere in this AIF and in our annual consolidated financial statements and notes.

The board and audit committee regularly review the risk factors set out in our AIF (annually) and our annual and interim MD&A (quarterly). There's no assurance that the risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. You can read more about risk management at Kinaxis on page 11 and please see *About forward-looking information* starting on page 51 for more information.

Strategic risks

Development of new products and services

If we're unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.

The software industry is subject to rapid technological change. Our ability to attract new customers and increase revenue from existing customers will depend in large part on our ability to enhance and improve our solutions, to introduce new features and services in a timely manner, to sell into new markets and to further penetrate our existing markets. The success of any enhancement or new feature or service depends on several factors, including the timely completion, introduction and market acceptance of the enhancement or new feature or service.

Any new feature or service we develop or acquire may not be introduced on a timely basis or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. New markets, including new vertical markets and new countries or regions, may not be receptive to our solutions and therefore have a negative impact on market acceptance. If we're unable to successfully develop or acquire new features, products or services, enhance our existing product or services to meet customer requirements, sell products and services into new markets or sell our product and services to additional customers in our existing markets, our revenue will not grow as expected. Moreover, we're frequently required to enhance and update our product and services as a result of changing standards and technological developments, which makes it difficult to recover the cost of development and forces us to continually qualify new features with our customers.

Internal scalability

If we do not adequately scale our operations to meet and sustain our growth objectives, it could affect our ability to remain competitive and adversely affect our business.

Internal scalability is critical to our long-term success in a high-growth environment and includes several factors. Adequately scaling our technology to support the growth in new customers and markets is a significant part of the effort. Implementing proper business planning (including organizational, financial and sales plans), adequate processes and regular communications among the teams are also critical to our ability to adequately scale our operations. If we do not focus on all of these areas, and do so in a timely manner, it could adversely affect our business.

Compatibility of our solutions with third party applications

If we do not maintain the compatibility of our solutions with third party applications that our customers use in their business processes, demand for our solutions could decline.

Our solutions can be used alongside a wide range of other systems, such as enterprise software systems and business software applications used by our customers in their businesses. If we do not support the continued integration of our solutions with third party applications, including through the provision of application programming interfaces that enable data to be transferred readily between our solutions and third party applications, demand for our solutions could decline, and we could lose sales. We will also be required to make our solutions compatible with new or additional third party applications that are introduced into the markets that we serve. We may not be successful in making our solutions compatible with these third party applications, which could reduce demand for our solutions. In addition, prospective customers – especially large enterprise customers – may require heavily customized features and functions that are unique to their business processes. If prospective customers require customized features or functions that we do not offer, then the market for our solutions will be adversely affected.

Rapid technological developments

If we're unable to assess and adapt to rapid technological developments, it could impair our ability to remain competitive.

We compete in an industry that's characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Our ability to attract new customers and increase revenue from customers will significantly depend on our ability to anticipate industry standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments.

The success of any enhancement or new solution depends on several factors, including timely completion and market acceptance. Any new solution we develop or acquire might not be introduced on a timely basis or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implement new technologies before us, those competitors may be able to provide more effective solutions than ours at lower prices. The pace of technological change is accelerating based on recent advances in artificial intelligence and machine learning, as well as innovations such as distributed ledger technology (blockchain). These technologies have potential applications in supply chain management. New competitors may emerge with business models that are based on, or leverage, these and other disruptive technologies. If these competitors are able to solve complex supply chain problems significantly more efficiently than our solutions, our business could be materially adversely affected. If we adopt disruptive technologies, we may face additional risks, such as increased research and development expenses, new data security risks and lack of developers with relevant experience.

Intellectual property and proprietary rights

If we fail to protect our intellectual property and proprietary rights adequately, our business could be adversely affected.

We believe that proprietary technology is essential to establishing and maintaining our leadership position. We seek to protect our intellectual property rights through trade secrets, copyrights, confidentiality, non-compete, nondisclosure and proprietary technology agreements, filing patent applications and seeking patent protection, trademarks, domain names and other measures, some of which provide only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our technology or to obtain and use information that we regard as proprietary.

We may be required to spend significant resources to monitor and protect our proprietary rights, and we cannot be certain that our means of protecting our proprietary rights will be adequate or that our competitors will not independently develop similar or superior technology or design around our intellectual property. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of Canada. Intellectual property protections may also be unavailable, limited or difficult to enforce in some countries, which could make it easier for competitors to capture market share. Our failure to adequately protect and enforce our intellectual property and proprietary rights could adversely affect our business, financial condition and results of operations.

By enforcing and/or asserting our intellectual property rights, such as our patent rights, there is no assurance that our patents would be held valid or enforceable by a court of competent jurisdiction or that a court would rule that the competitor's products or technologies constitute patent infringement.

Because intellectual property litigation, particularly software patent litigation, involves complex legal and factual questions, the issuance, scope, validity, and enforceability of patents cannot be predicted with certainty. Patents may be challenged, invalidated or circumvented. If our patents were invalidated or found to be unenforceable, we would lose the ability to exclude others from making, using or selling the inventions claimed. Moreover, an issued patent does not guarantee the right to use the patented technology or commercialize a product using that technology. Third parties may have blocking patents that could be used to prevent us from using technology claimed in our own patents. Therefore, patents that we own may not allow us to exploit the rights conferred by its intellectual property protection.

Third party assertions

If a third party makes an assertion that we're infringing its intellectual property, it could subject us to costly and time-consuming litigation or expensive licenses which could harm our business.

We compete in industries that have a large number of patents, copyrights, trademarks and trade secrets and frequent litigation based on allegations of infringement or other violations of intellectual property rights. As we seek to extend our solutions, we could be constrained by the intellectual property rights of others. In addition, our customer contracts require us to indemnify our customers against certain liabilities they may incur as a result of our infringement of any third party intellectual property.

We might not prevail in any intellectual property infringement litigation given the complex legal and technical issues and inherent uncertainties in this type of litigation. Defending such claims, regardless of their merit, could be time-consuming and distracting to management, result in costly litigation or settlement, cause development delays or require us to enter into royalty or licensing agreements. Furthermore, if our solutions exceed the scope of in-bound licenses or violate any third party proprietary rights, we could be required to withdraw those solutions from the market, re-develop those solutions or seek to obtain licenses from third

parties, which might not be available on reasonable terms or at all. Any efforts to re-develop our solutions, obtain licenses from third parties on favourable terms or license a substitute technology might not be successful and, in any case, might substantially increase our costs and harm our business, financial condition and results of operations. If we were compelled to withdraw any of our solutions from the market, our business, financial condition and results of operations could be harmed.

Highly competitive markets

We participate in highly competitive markets, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

The markets for supply chain management solutions are increasingly competitive and global. We expect competition to increase in the future both from existing competitors and new companies that may enter our markets. Increased competition could result in pricing pressure, reduced sales, lower margins or the failure of our solutions to achieve or maintain broad market acceptance. We currently face, or may face in the future, competition from:

- traditional on-premise supply chain software vendors and other SaaS providers
- managed service providers that combine traditional on-premise software with professional IT services
- in-house solutions developed by our customers and potential customers.

We need to invest continuously in software development, marketing, customer service and support and product delivery infrastructure to remain competitive. There is no assurance, however, that new or established competitors will not offer solutions that are superior to or lower in price than ours. We may not have sufficient resources to continue the investments in all areas of software development and marketing needed to maintain our competitive position. In addition, some of our competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical, sales, marketing and other resources than us, which may provide them with an advantage in developing, marketing or servicing new solutions. Increased competition could reduce our market share, revenue and operating margins, increase our operating costs and otherwise adversely affect our business.

Key employees

If we're unable to retain our key employees, or effectively compete for talent, our business would be harmed and we might not be able to implement our business plan successfully.

We've seen an increased intensity for talent in the technology sector over the past few years. Given the complex nature of the technology that our business is based on and the speed with which such technology advances, our future success depends, in large part, on our ability to attract and retain highly qualified managerial, technical and sales people. Competition for talented people is intense, and we cannot be certain that we can retain our managerial, technical and sales people or that we can attract, assimilate or retain these people in the future. Our inability to attract and retain this talent could have an adverse effect on our business, results of operations and financial condition.

Our general compensation program includes restricted share units, performance share units and stock options, which are important tools in attracting and retaining employees in our industry. If our share price performs poorly, it may adversely affect our ability to retain or attract employees. We continually evaluate our compensation practices and consider changes from time to time, such as reducing the number of employees who are granted equity awards or the number of equity awards granted per employee and granting other forms of share-based compensation, which may have an impact on our ability to retain employees and the amount of share-based compensation expense that we record. Any changes in our compensation practices or those of our competitors could affect our ability to retain and motivate existing talent and recruit new talent.

Direct sales force

Our growth depends on the continued development of our direct sales force.

We believe that our future growth depends on the continued development of our direct sales force and their ability to obtain new customers, particularly large enterprise customers, and to manage our existing customer base. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining a sufficient number of direct sales people. New sales people require significant training and may, in some cases, take more than a year before becoming productive, if at all. If we're unable to hire and develop sufficient numbers of productive direct sales people, sales of our software and services will suffer and our growth will be impeded.

Partner ecosystem

As we increase our emphasis on our partner ecosystem, we may encounter new risks, such as dependence on partners for a material portion of our revenue and potential channel conflict.

Our partnership program requires us to invest time and resources and future revenue opportunities through our channel partners are uncertain. There is no assurance that we will be successful in maintaining or building on our relationships with our partners. In

addition, there is no assurance that our partners will act in a manner that will promote the success of our products and services. Failure by our partners to promote and support our products and services could adversely affect our business, results of operations and financial condition.

Our partnership relationships are not exclusive and our partners may also sell or support products and services of our competitors. If some of our competitors offer their products and services to our partners on more favorable terms or have more products or services available to meet their needs, there may be pressure on us to reduce the price of our products or services or our partners may de-emphasize our products and services in favor of the products and services of our competitors. We believe that our partners exert significant influence on customer purchasing decisions, especially those by large enterprises.

If our partners fail to adopt successful strategies and grow their own businesses, it could have a material adverse effect on our business, results of operations and financial condition.

Mergers or other strategic transactions

Mergers or other strategic transactions involving our competitors or customers could weaken our competitive position, which could harm our results of operations.

Our industry is highly fragmented, and we believe it's likely that some of our existing competitors will consolidate or be acquired. In addition, some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third party consulting firms or other parties, thereby limiting our ability to promote our products. Furthermore, large participants in adjacent markets may develop products or acquire businesses that compete with our own and create increased market competition and/or strengthen the brand of a competitor.

Consolidations, acquisitions, alliances, new entrants or cooperative relationships could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on our business, results of operations and financial condition.

Consolidation within our existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing customers may delay orders for our products and services or cause a discontinuation in the use of our products, which could have a material adverse effect on our business, results of operations and financial condition.

Research and development

We may not receive significant revenue as a result of our current research and development efforts.

We reinvest a large percentage of our revenue in research and development. Our investment in our current research and development efforts may not provide a sufficient, timely return. We make and will continue to make significant investments in software research and development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors including the degree of innovation of the products developed through our research and development efforts, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development. These expenditures may materially adversely affect our operating results if they are not offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all, and new products and services may not be profitable.

Brand awareness

Our business may suffer if we do not develop widespread brand awareness cost-effectively.

We believe that developing and maintaining widespread awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our applications and attracting new customers. Our marketing efforts are primarily directed at lead generation and growing brand awareness. Brand promotion activities, including our promotion of expert content, may not generate customer awareness or increase revenues and, even if they do, any increase in revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may not attract or retain customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our applications.

Acquisitions

Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly-acquired companies or businesses may adversely affect our financial results.

We continue to seek opportunities to acquire or invest in businesses, products and technologies that could expand, complement or otherwise relate to our current or future business. We may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. Pursuing these activities may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. If consummated, these activities create risks such as:

- the need to integrate and manage the businesses and products acquired with our own business and products
- additional demands on our resources, systems, procedures and controls
- disruption of our ongoing business
- adverse effects to our existing business relationships
- potential loss of key employees.

These transactions could involve substantial investment of funds or financings by issuance of debt or equity securities, substantial investment with respect to technology transfers and operational integration, and the acquisition or disposition of product lines or businesses. These activities could also result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Any acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of our financial and other resources. Any of these activities may not be successful in generating revenue, income or other returns to us, and the resources committed to these activities will not be available to us for other purposes. If we're unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions, or may have to do so with a less than optimal capital structure.

Our inability to take advantage of growth opportunities for our business or for our products, or to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce our earnings which, in turn, may have an adverse material effect on the price of our common shares. If we do complete these kinds of transactions, we cannot be sure that they will ultimately strengthen our competitive position or that they will not be viewed negatively by customers, securities analysts or investors.

Climate change

Efforts to reduce climate change could affect our sales and financial results.

Reducing climate change and the environmental impacts of industry have become the subject of increased focus by stakeholders and governments. Environmental concerns may result in environmental taxes, charges, regulatory schemes, assessments or penalties that affect our customers, particularly those in carbon-intensive industries or in sectors which are otherwise sensitive to climate change legislation and regulation. Our customers could suffer increased costs and decreased demand for their products and services, which could lead them to reduce costs and the use of our services. We rely on data centers to deliver our solution, and they consume significant amounts of energy. Any increase in energy prices as a result of carbon pricing or other measures could affect our cost structure.

Raising capital

We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our products and services, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, and each could have a material adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of our capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business at the rate desired and our results of operations may suffer. Financing through issuances of equity securities would be dilutive to holders of our shares.

Financial risks

New customers and additional sales

If we're unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.

To increase our revenue and achieve and maintain profitability, we must regularly add new customers or sell additional solutions to our existing customers, which we plan to do. Numerous factors, however, may impede our ability, including an inability to convert companies that have been referred to us by our existing network into paying customers, failure to attract and effectively train new sales and marketing people, failure to retain and motivate our current sales and marketing talent, failure to develop relationships

with partners or resellers and/or failure to ensure the effectiveness of our marketing programs. If prospective customers also do not perceive our solutions to have sufficient value and quality, we will not be able to attract the number and types of new customers that we are seeking.

Customer retention and attraction

We derive a significant portion of our revenue from a relatively small number of customers, and our growth depends on our ability to retain existing customers and add new customers.

We derive a significant percentage of our revenue from a relatively small number of customers, and the loss of any one or more of those customers could decrease our revenue and harm our current and future results of operations. For the 12 months ended December 31, 2021, our top 10 customers accounted for 25% of our revenue with no one customer accounting for greater than 10% of our revenues. Although our largest customers may vary from period to period, we anticipate that we'll continue to depend on revenue from a relatively small number of customers. In addition, the loss of one or more of our existing customers, or a failure to renew our subscription agreements with one or more of our existing customers, could negatively affect our ability to market our solutions. We rely on our reputation and recommendations from existing customers in order to promote subscriptions to our solutions. The loss of any of our existing key customers, or a failure of some of them to renew, could have a significant impact on our reputation and our ability to obtain new customers.

Long sales cycle

We encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.

Our products have lengthy sales cycles, which typically extend from six to 18 months and may in some instances take longer. Potential and existing customers, particularly larger enterprises, often commit significant resources to the evaluation of available solutions and services and require us to expend substantial time and resources as part of our sales efforts. The length of our sales cycles also varies depending on the type of customer, the product being sold and customer requirements. We may incur substantial sales and marketing expenses and expend significant management effort during this time, regardless of whether we make a sale. Many of the risks relating to sales processes are beyond our control, including the following:

- our customers' budgetary and scheduling constraints
- the timing of our customers' budget cycles and approval processes
- our customers' willingness to augment or replace their currently deployed software products
- general economic conditions, including recent conditions arising from the COVID-19 pandemic.

As a result of the lengthy and uncertain sales cycles for our products and services, it's difficult for us to predict when customers may purchase products or services from us, affecting when we can recognize the associated revenue. Our results of operations may vary significantly and may be adversely affected as a result. The length of our sales cycle makes us susceptible to having pending transactions delayed or terminated by our customers if they decide to delay or withdraw funding for IT projects for various reasons, including global economic cycles and capital market fluctuations.

Recurring revenue

We rely significantly on recurring revenue, and if recurring revenue declines or contracts are not renewed, our future results of operations could be harmed.

In order for us to improve our operating results, it's important that our customers renew their agreements with us when their subscription terms expire. Our customers have no obligation to renew their subscriptions after a subscription term and there is no assurance that our customers will renew their subscriptions at the same or higher levels of service, or at all.

Our revenue from subscriptions for our software and software-related support services accounted for approximately 75% of our total revenue for the year ended December 31, 2021. Revenue from subscriptions is recognized over the contractual term of the license, which is typically between three and five years, and is generally recurring in nature. Sales of new or recurring subscriptions and software-related support service contracts and renewals after the contractual term expires may decline or fluctuate as a result of a number of factors including the following:

- the end customers' level of satisfaction with our software solutions
- the price, performance and functionality of our software solutions
- the availability, price, performance and functionality of products and services offered by our competitors, or
- changes in customers' operations including reductions in their overall spending levels.

Other SaaS providers are leading a software industry-wide movement towards shorter contractual license terms. If competitive pressures compel us to follow, it could lead to increased volatility and diminished visibility into future recurring revenue. If our sales of new or recurring subscriptions and software related support service contracts decline, our revenue and revenue growth may decline, and our business will suffer.

New sales

Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.

Most of the subscription revenue we report in each quarter is derived from recognition of deferred revenue relating to subscriptions entered into in previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter will likely only have a small impact on our revenue results for that quarter, but will negatively affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our applications, and potential changes in our pricing policies or rates of renewals, may not be fully reflected in our results of operations until future periods.

In addition, a significant majority of our costs are expensed as incurred, while revenues are generally recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenues in the earlier periods of the terms of our agreements.

Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as SaaS revenues from customers must be recognized over the applicable subscription term.

Fluctuation in quarterly results

Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.

Our quarterly revenue and results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly revenue or results of operations fall below the expectations of investors or securities analysts, the price of our common shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including the following among others:

- demand for and market acceptance of our products
- the mix of applications, services and delivery method of our software sold during a period
- the amount of professional services purchased by our customers
- our ability to retain and increase sales to customers and attract new customers
- the timing of product deployment which determines when we can recognize the associated revenue
- the timing and success of introductions of new solutions or upgrades by us or our competitors
- the strength of the economy
- changes in our pricing policies or those of our competitors
- competition, including entry into the industry by new competitors and new offerings by existing competitors
- network outages or security breaches
- the amount and timing of expenditures related to expanding our operations, research and development or introducing new solutions
- changes in the payment terms for our solutions.

Based on the above factors and the other risks discussed in this AIF, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Potential operating losses

We may incur operating losses in the future.

Although we have accumulated retained earnings of \$72 million and positive cash flow, we have also experienced net losses and negative cash flows from operations in the past. We expect our operating expenses to increase in the future as we invest in new opportunities and expand our operations. If our revenue does not grow to offset these increased expenses, we will not be profitable. There is no assurance that we'll be able to achieve or maintain profitability. You should not consider recent revenue growth as an indication of our future performance.

Economic downturns and other conditions

Downturns in general economic and market conditions and reductions in IT spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. As a result, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Volatility in the market price of our common shares due to seemingly unrelated financial developments could hurt our ability to raise capital for the financing of acquisitions or other reasons. Potential price inflation caused by an excess of liquidity in countries where we conduct business may increase our costs to provide our solutions and may reduce profit margins on agreements that govern our provision of products or services to customers over a multi-year period. A reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of our customer base. As a result, these customers may need to reduce their purchases of our

products or services, or it may be more difficult for us to receive for the products or services that these customers purchase from us. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results and financial conditions.

Currency exchange rates

We are subject to fluctuations in currency exchange rates.

We report our financial results in U.S. dollars as a significant portion of our business is conducted and invoiced in U.S. dollars. However, as we anticipate our international business will grow, the percentage of our revenue received in foreign currencies will likely increase. Accordingly, we are subject to, and may increasingly be subject to, currency fluctuations that may, from time to time, affect our financial position and performance. Further, a significant amount of our expenses are paid in Canadian dollars. As a result, we are exposed to currency risk on these transactions. Any fluctuation in the exchange rate of these currencies may negatively affect our business, financial condition and operating results.

Anticipated growth

If we experience significant fluctuations in our rate of anticipated growth and do not balance our expenses with our revenue forecasts, our results could be harmed.

Due to our evolving business model and the unpredictability of future general economic and financial market conditions, we may not be able to accurately forecast our rate of growth. We plan our expense levels and investment on estimates of future revenue and future anticipated rate of growth. We may not be able to adjust our spending quickly enough if the addition of new subscriptions or the renewal rate for existing subscriptions falls short of our expectations. As a result, we expect that our revenues, operating results and cash flows may fluctuate significantly on a quarterly basis. We believe that period to period comparisons of our revenues, operating results and cash flows may not be meaningful and you should not rely on them as an indication of future performance.

Operational risks

Complex solutions

Our solutions are complex and customers may experience difficulty in implementing or upgrading our products successfully or otherwise achieving the benefits attributable to our products.

Due to the scope and complexity of the solutions that we provide, our implementation cycle can be lengthy and unpredictable. Our products may require modification or personalization to address unique customer or industry needs. We often must integrate with many existing computer systems and software programs of our customers and their trading partners. This can be time-consuming and expensive for our customers and can result in delays in the implementation and deployment of our products. Furthermore, our implementation capacity may be constrained during periods of high customer demand. As a result, some customers have had, and may in the future have, difficulty implementing our products successfully or otherwise achieving the expected benefits of our products. Delayed or ineffective implementation or upgrades of our software may limit our future sales opportunities, impact revenue, result in customer dissatisfaction and harm our reputation.

Security and privacy breaches

Security and privacy breaches could delay or interrupt service to our customers, harm our reputation or subject us to significant liability and adversely affect our business and financial results. Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security or privacy relating to customer information.

Our operations involve the storage and transmission of confidential information of many of our customers and security breaches could expose us to a risk of loss of this information, litigation, indemnity obligations and other liability. If our security measures are breached as a result of third party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to our customers' data, including personally identifiable information regarding users, damage to our reputation is likely, our business may suffer and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques or to implement adequate preventive measures.

We've implemented technical, organizational and physical security measures, including employee training, back-up systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access to confidential information of our customers and to reduce the likelihood of disruptions to our systems. See *Network access and security* on page 18 for more information. We also undergo regular cybersecurity incident management tabletop exercises to prepare for such events.

Despite these measures, all our information systems, including back-up systems and any third party service provider systems that we employ, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events, as well as from internal and external

security breaches, denial of service attacks, viruses, and other known or unknown disruptive events. We or our third party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach our security measures or those of our third party service providers' information systems.

If a breach of our security measures occurs, the market perception of their effectiveness could be harmed and we could lose potential sales and existing customers. Further, a security breach affecting one of our competitors or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information of our customers is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers.

Service level agreements

We enter into service level agreements with all our customers. If we do not meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect our revenues.

Our customer agreements typically provide service level commitments on a quarterly basis. If we're unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for service credits following the termination of the contract, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

Remote work force

If our productivity is impacted as a result of remote work, we may incur additional costs to address such issues and our financial condition and results may be adversely impacted. Employing a remote work environment could affect employee productivity, including due to a lower level of employee oversight, distractions caused by the pandemic and its impact on daily life, health conditions or illnesses, disruptions due to caregiving or child care obligations or slower or unreliable internet access. Kinaxis systems, client, vendor and/or borrower data may be subject to additional risks presented by increased phishing activities targeting employees, vendors and counterparties in transactions, the possibility of attacks on Kinaxis systems or systems of employees working remotely as well as by decreased physical supervision. While our pre-existing financial controls were not specifically designed to operate in our current work from home environment, we believe that established internal controls over financial reporting continue to address identified risk areas.

Events out of our control

Events that are out of our control, such as a geopolitical crisis, widespread outbreak of an illness or other health issue, a natural disaster or terrorist attack could negatively affect various aspects of our business.

Our global operations are susceptible to global events, including geopolitical crises or other international conflicts, political instability, natural disasters, pandemics or similar events, acts or threats of war or terrorism. If any of these events occurs, it could have an adverse effect on our business results and financial condition.

Interruptions or delays

Interruptions or delays in the services provided by third parties could impair the delivery of our solutions and our business could suffer.

We host our solutions in the United States, the Netherlands, Japan and Canada. All of our solutions reside on hardware owned or leased and operated by us in these locations. We do not have control over the operation of these facilities, although we do approve access to and manage our own network and servers. Our data center agreements provide for the renewal of these agreements in accordance with the terms of the applicable agreements but are subject to early termination in certain circumstances. If one or more of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Our operations depend on the protection of the equipment and information we store in these third party data centers and which third party internet service providers transmit against damage or service interruptions that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, pandemics, war, criminal act, military action, terrorist attack and other similar events beyond our control. A prolonged service disruption or data security breach affecting our solutions for any of these reasons could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers from whom we receive recurring revenue or otherwise adversely affect our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data centers we use or that impair their operations or security systems.

Our solutions are accessed by a large number of customers often at the same time. As we continue to expand the number of our customers and solutions available to our customers, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of our third party data centers or third party internet service providers to meet our capacity requirements could result in interruptions or delays in access to our solutions or impede our ability to scale our operations. In the event that our data center or third party internet service provider arrangements are terminated, or there is a lapse of service, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in access to our solutions as well as delays and additional expense in arranging new facilities and services.

Defects

We may experience service failures or interruptions due to defects in the software, infrastructure, third party components or processes that comprise our existing or new solutions, any of which could adversely affect our business.

Our products may contain undetected defects in the software, infrastructure, third party components or processes that are part of the solutions we provide. If these defects lead to service failures after introduction of a solution or an upgrade to the solution, we could experience delays or lost revenue during the period required to correct the cause of the defects. We cannot be certain that material defects will not be found in new solutions or upgraded solutions, resulting in loss of, or delay in, market acceptance, which could have an adverse effect on our business, results of operations and financial condition.

Because customers use our solutions for critical business processes, a defect in our solutions, a disruption to our solutions or an error in execution could cause recurring revenue customers to seek compensation or other contract relief from us, prevent potential customers from purchasing our solutions and harm our reputation. Although our contracts with our customers limit our liability to our customers for these defects, disruptions or errors, we nonetheless could be subject to litigation for actual or alleged losses to our customers' businesses, which may require us to spend significant time and money in litigation or arbitration or to pay significant settlements or damages. Courts may not enforce provisions in our contracts that would limit our liability or otherwise protect us from liability for damages. We do not currently maintain any warranty reserves. Defending a lawsuit, regardless of its merit, could be costly and divert management's attention and could cause our business to suffer.

The insurers under our existing liability insurance policy could deny coverage of a future claim that results from an error or defect in our technology or a resulting disruption in our solutions, or our existing liability insurance might not be adequate to cover all of the damages and other costs of a claim. Moreover, there is no assurance that our current liability insurance coverage will continue to be available to us on acceptable terms or at all. The successful assertion against us of one or more large claims that exceeds our insurance coverage, or the occurrence of changes in our liability insurance policy, including an increase in premiums or imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations. Even if we succeed in litigation regarding a claim, we are likely to incur substantial costs and our management's attention will be diverted from our operations.

Open source software

The use of open source software in our products may expose us to additional risks and harm our intellectual property.

Our software makes use of and incorporates open source software components. These components are developed by third parties that we do not have control over. We have no assurances that those components do not infringe on the intellectual property rights of others. We could be exposed to infringement claims and liability regarding the use of those open source software components, and we may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase our expenses. The developers of open source software are usually under no obligation to maintain or update that software, and we may be forced to maintain or update such software ourselves or replace such software with internally developed software or software obtained from another supplier, which may increase our expenses. Making replacements could also delay enhancements to our products.

Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to the software, including the source code to the modifications, are also made available under the same terms and conditions. As a result, any modifications we make to the software will be available to all downstream users of the software, including our competitors. In addition, certain open source licenses (Reciprocal Licenses) provide that if we wish to combine the licensed software, in whole or in part, with our proprietary software, and distribute copies of the resulting combined work, we may only do so if the copies are distributed under the same terms and conditions as the open source software component of the work was licensed to us, including the requirement to make the source code to the entire work available to recipients of the copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software.

There is little or no legal precedent governing the interpretation of many of the terms of these licenses. An incorrect determination as to whether a combination is governed by these provisions will result in non-compliance with the terms of the open source license.

Such non-compliance could result in the termination of our license to use, modify and distribute copies of the affected open source software and we may be forced to replace the open source software with internally developed software or software obtained from another supplier, which may increase our expenses. In addition to terminating the affected open source license, the licensor of the open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including our competitors, under the terms and conditions of the applicable open source license. For those reasons we have instituted policies and practices which are intended to limit the use of open source software that is distributed under the terms of a Reciprocal License. However, many of the risks of open source software still exist and could adversely affect our business.

International expansion

Because our long-term success depends, in part, on our ability to continue to expand the sales of our solutions to customers located outside North America, our business will be susceptible to risks associated with international operations.

We have limited experience operating in foreign jurisdictions. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. Customers in countries outside of North America accounted for 38% of our revenue for the fiscal year ended December 31, 2021. Our limited experience in operating our business outside of North America increases the risk that our current and any future international expansion efforts will not be successful.

Conducting international operations subjects us to new risks that, generally, we have not faced in North America, including:

- fluctuations in currency exchange rates
- new and different sources of competition
- unexpected changes in foreign regulatory requirements
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable
- difficulties in managing and staffing international operations, including differences in labour laws
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems and restrictions on the repatriation of earnings
- localization of our solutions, including translation into foreign languages and associated expenses
- the burdens of complying with multiple, conflicting foreign laws and different legal standards and regulatory requirements, including laws and regulations related to privacy, data security and data residency requirements
- requirements for regional hosting of customer solutions and data, which may require additional capital expenditures necessary to set up new data centers
- increased financial accounting and reporting burdens and complexities
- political, social and economic instability abroad, pandemics, terrorist attacks and security concerns in general
- difficulties enforcing agreements through foreign legal systems
- reduced or varied protection for intellectual property rights in some countries.

If any of these risks occurs, it could negatively affect our international business and in turn our results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing, acquiring or integrating operations in other countries will produce desired levels of revenue or profitability.

The outcome of any litigation, arbitration or other dispute resolution proceedings that we may engage in from time to time is inherently uncertain. We may become defendants in legal proceedings where we are unable to assess our exposure and could become significant liabilities in the event of an adverse judgment or decision.

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. These matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition.

Regulatory and compliance risks

Privacy and security

Privacy and security concerns, including evolving laws and regulations in these areas, could adversely affect our business and operating results.

Our operations are used to transmit and store data, including personal information. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of this information.

The interpretation of privacy and data protection laws in a number of jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada's *Personal Information Protection and Electronic Documents Act* (PIPEDA), and the European Union's *General Data Protection Regulation* (GDPR) contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how this information may be used, how long it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the European Union's General Data Protection Regulation, also include restrictions on the transfer of personal information across state borders. Because our products and services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with these laws even in jurisdictions where we have no local entity, employees or infrastructure. Complying with these varying international requirements could cause us to incur additional costs and change our business practices.

We could be adversely affected if legislation or regulations are expanded to require changes in our products or business practices, if governmental authorities in the jurisdictions in which we do business interpret or implement their legislation or regulations in ways that negatively affect our business or if customers or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in our products. This type of regulation could reduce the demand for our products if we fail to design or enhance our products to enable our customers to comply with the privacy and security measures required in relevant jurisdictions. If we are required to allocate significant resources to modify our products or our existing security procedures for the personal information that our products transmit, our business, results of operations and financial condition may be adversely affected.

Accounting pronouncements and financial reporting

Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.

We regularly monitor our compliance with financial reporting standards and review new pronouncements and drafts that are relevant to us. As a result of new standards, changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies. This could lead to risks in the following areas, among others:

- our ability to react in a timely manner to new accounting pronouncements and financial reporting standards concerning revenue recognition
- unpredictable changes in interpretation of standards.

Any one or more of these events could have an adverse effect on our business, financial position and profit.

Taxation

We are subject to taxation in various jurisdictions and the taxing authorities may disagree with our tax positions.

With operations and sales in various countries, we're subject to taxation in Canada, the United States and several other jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in Canada, the United States and these other jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. We also have exposures to additional non-income tax liabilities. We are subject to non-income taxes, such as payroll, sales, use, value-added and goods and services taxes, in Canada, the United States and various foreign jurisdictions.

Our business is complex and the tax laws applicable to our business are subject to change and uncertain interpretation. Although we believe our tax estimates are reasonable, the final determination upon any tax audits could be materially different from our historical tax provisions and accruals, the content of our tax filings or tax provisions, which could result in additional tax, interest and penalties, which could have a material impact on the results of our operations. For example, we participate in government programs with both the federal government and the Province of Ontario that provide investment tax credits based on qualifying research and development expenditures. If these investment tax credits are reduced or eliminated, this may adversely affect our business, financial condition and results of operations. Although we believe that all expenses and tax credits we claim, including research and development expenses and related investment tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian taxation authorities will agree. If the Canadian taxation authorities successfully challenge these expenses or the correctness of the income tax credits claimed, our historical operating results could be adversely affected. If the Canadian taxation authorities reduce a tax credit either by reducing the rate of the credit or the eligibility of some research and development expenses in the future, our operating results could be adversely affected. We conduct operations worldwide through subsidiaries in various tax jurisdictions according to transfer pricing arrangements with our subsidiaries. If two or more affiliated companies are in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable

tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us.

Other risks

COVID-19

Impacts related to the COVID-19 pandemic are expected to continue to pose risks to our business for the foreseeable future, may heighten many of the risks and uncertainties identified herein, and could have a material adverse impact on our business, operations or financial performance in a manner that is difficult to predict. The COVID-19 pandemic has significantly impacted health and economic conditions globally. The global spread of COVID-19 has been, and continues to be, complex and rapidly evolving, with governments, public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as travel restrictions and bans, social distancing, quarantine or shelter-in-place directives, limitations on the size of gatherings, and closures of non-essential businesses. These restrictions have disrupted and may continue to disrupt economic activity, resulting in reduced commercial and consumer confidence and spending, increased unemployment, closure or restricted operating conditions for businesses, volatility in the global economy, instability in the credit and financial markets, labour shortages, regulatory recommendations to provide relief for impacted consumers, and disruption in supply chains. The extent to which the COVID-19 pandemic impacts our business, operations, and financial performance is highly uncertain and will depend on numerous evolving factors that we may not be able to accurately predict or assess, including, but not limited to, the severity, extent and duration of the pandemic or any resurgences in the future, including any economic recession resulting from the pandemic, the development of effective vaccines and treatments, and the continued governmental, business and individual actions taken in response to the pandemic.

Share price

The market price of our common shares may be volatile.

The market price of our common shares may experience significant fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly results of operations
- changes in estimates of our future results of operations
- fluctuations in currency exchange rates, including a decline in the value of the U.S. dollar which is the currency we use to report our financial results
- changes in forecasts, estimates or recommendations by securities research analysts
- changes in the economic performance or market valuations of companies in the industry in which we operate or any other company that provides hosting services or delivers applications under a SaaS model
- addition or departure of executive officers and other key personnel
- release or expiration of lock-up or other transfer restrictions on outstanding common shares
- sales or perceived sales of additional common shares
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital reorganizations
- commitments by or involving us or our competitors
- operating and share price performance of other companies that investors deem comparable to us
- news reports relating to trends, concerns, technological or competitive developments, global markets, regulatory changes
- other related issues in our industry or targeted markets.

Financial markets have experienced and may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset value or prospects of these companies. Accordingly, the market price of our common shares may decline even if our operating results, underlying asset values or prospects have not changed. Conversely, the market price of our common shares may increase without any changes to our operating results, underlying assets value or prospects. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There is no assurance that continuing fluctuations in price and volume will not occur. If increased levels of volatility and market turmoil continue, our operations could be adversely affected and the trading price of our common shares may be materially adversely affected.

Share dilution

We may issue and sell additional securities to finance our operations or issue securities to directors, officers, employees and consultants of the company in connection with security based compensation arrangements. We cannot predict the size or type of future issuances of securities or the effect, if any, that future issuances and/or sales of securities will have on the market price of our securities issued and outstanding from time to time. Sales or issuances of substantial amounts of our securities, or the perception that such issuances or sales could occur, may adversely affect prevailing market prices for our securities issued and outstanding from

time to time. With any additional sale or issuance of our securities, including the issuance of securities in connection with any future offering, security based compensation arrangement (including increases to the maximum number of securities issuable under any security based compensation plans of the company) and acquisitions by the company, holders will suffer dilution with respect to voting power and may experience dilution in our earnings per share.

Our articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights with any further issuances. In addition, when outstanding options are exercised or when common shares are issued on the vesting or settlement of outstanding share units, there is an additional dilution of our shares.

Governance

Good governance is essential to sound business practices and the long-term success of a business.

ABOUT THE BOARD

Shareholders	Elect the board at our annual meeting Our majority voting policy ensures our directors have the confidence and support of shareholders
Board of directors	Supervises the management of the business and our affairs and is responsible for overall stewardship of Kinaxis A copy of the board's mandate is available on our website (www.kinaxis.com).
Board committees	Three independent standing committees help the board carry out its responsibilities: <ul style="list-style-type: none">• audit committee• compensation committee• nominating and governance committee Each committee reviews and approves its charter annually and copies are available on our website. A copy of the audit committee charter is also set out in the Appendix starting on page 53.

Formal position descriptions

The board has approved written position descriptions for our chair, the chair of each board committee and our CEO.

You can find copies of our majority voting policy, the board's mandate, position descriptions and other governance documents on our website (www.kinaxis.com).

About the audit committee

100% independent

Met 4 times in 2021

Members: Elizabeth (Betsy) Rafael, CPA (chair)

Robert Courteau, Gillian (Jill) Denham, John (Ian) Giffen, FCPA, CPA, CF, Kelly Thomas

All five members of the audit committee have experience reviewing financial statements and dealing with related accounting and auditing issues. Each member is financially literate within the meaning of National Instrument 52-110 – *Audit Committees*. This means each member is able to read and understand a set of financial statements that are similar in the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by Kinaxis financial statements. You can read about the education and experience of each committee member under *Directors and executive officers* starting on page 43.

The audit committee assists the board in fulfilling its financial oversight obligations by:

- overseeing the integrity of our financial statements and financial reporting process, including the audit process and our internal accounting controls and procedures and compliance with related legal and regulatory requirements
- overseeing the qualifications and independence of our external auditors
- overseeing the work of our financial management and external auditors
- providing an open avenue of communication between the external auditors, the board and management.

The board approved the audit committee's recommendations for the appointment and compensation of the external auditors in 2021.

Pre-approval policies and procedures

The audit committee has adopted pre-approval policies and procedures to manage risk and reinforce good governance.

The audit committee must pre-approve all non-audit services to be performed the external auditors in relation to Kinaxis. It must also approve the engagement letter with the external auditors for any non-audit services to be provided and the estimated fees. The audit committee also considers any potential impact that the non-audit services may have on the independence of the external auditors as part of its pre-approval process.

You can find more information about the pre-approval policies and procedures in the audit committee charter in the Appendix starting on page 53.

Auditor fees

KPMG LLP have been our auditors since our inception. The table below sets out the fees paid to KPMG LLP in the last two fiscal years:

For the years ended December 31	2021	2020
Audit fees for professional services for the audit and interim reviews of our financial statements	Cdn\$428,592	Cdn\$486,315
Tax fees for tax advice and tax compliance fees outside the annual audit	–	Cdn\$2,675
All other fees	–	Cdn\$100,580 ¹
Total	Cdn\$428,592	Cdn\$589,570

1. Fees billed by KPMG LLP for advisory services in connection with our enterprise risk management initiative.

DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this AIF, our directors and executive officers (as a group) owned, or exerted direction or control over, a total of 324,877 common shares, representing approximately 1.2% of our total common shares outstanding. The following tables set out key information for our directors and executive officers as of the date of this AIF.

Directors

Our directors are elected annually by shareholders and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Name	Board committees	Principal occupation in the past five years	Other details
John (Ian) Giffen Toronto, Ontario Canada Chair of the Board of Directors Director since 2010	<ul style="list-style-type: none"> • Audit • Nominating and governance 	<ul style="list-style-type: none"> • corporate director • served on the board of directors of Absolute Software Inc. (2008 to 2018) • lead director of D2L Inc., a global software company (chair of the audit committee) • also serves on the boards of the CSA Group Inc., CAMH and Stratford Festival (board of governors) 	<ul style="list-style-type: none"> • Vice-President, Finance and Chief Financial Officer at Alias Research Inc. (from 1992 to 1996 until it was sold to Silicon Graphics Inc. for approximately \$500 million) • has advised several private venture investment funds since 1996, and has served on the boards of a number of public and private companies including Macromedia Inc. (from 1997 to 2005 until it was sold to Adobe Systems Inc. for \$4 billion), Ruggedcom Inc., MKS Inc., Descartes Systems Group Inc. (chair), DPS Inc., Corel Corporation Inc., Certicom Corporation Inc., Financial Models Inc., 724 Solutions Inc. (chair), Sierra Systems Group Inc. and Open Text Corporation Inc. • Chartered Professional Accountant and a Fellow of the Institute of Chartered Accountants of Ontario (CPA Ontario) and has a designation in Corporate Finance • Bachelor of Arts degree in Business Administration, University of Strathclyde in Glasgow, Scotland and worked for KPMG in Glasgow from 1978 to 1982
Robert Courteau Toronto, Ontario Canada Director since 2016	<ul style="list-style-type: none"> • Audit • Compensation 	<ul style="list-style-type: none"> • business executive and corporate director • most recently was the Chief Executive Officer at Altus Group Limited (September 2012 to September 2020), a leading provider of independent advisory services, software and data solutions to the global commercial real estate industry • director of LifeWorks Inc. (formerly Morneau Shepell Inc.) which provides human resource consulting and technology services (since October 2020) • director of D2L Inc., a global software company (member of the audit committee) 	<ul style="list-style-type: none"> • accomplished senior executive with extensive experience in leading new business initiatives and achieving growth objectives with some of the world's foremost companies • former president of SAP North America, a global market leader in enterprise application software and COO of its Global Customer Operations • former director of Real Matters Inc. (January 2013 to January 2019), a leading network management services provider for the mortgage lending and insurance industries, which became a public company in 2017 • active board member of numerous North American not-for-profit organizations and has served on the boards of several publicly traded organizations • Bachelor of Commerce, Concordia University • Honorary Doctorate of Laws, Concordia University

<p>Gillian (Jill) Denham Toronto, Ontario Canada Director since 2016</p>	<ul style="list-style-type: none"> • Audit • Compensation (chair) • Nominating and governance 	<ul style="list-style-type: none"> • business executive and corporate director • President of Authentum Partners Ltd. (since June 2018), which invests in technology and related businesses and provides advisory services • Chair of the board of LifeWorks Inc. (formerly Morneau Shepell Inc), which provides human resource consulting and technology services (member of the audit committee from 2008 to 2015) • serves on the board of directors of Canadian Pacific Railway Limited (since September 2016 and member of the audit and finance committee and risk and sustainability committee) • lead director at Canaccord Genuity Group Inc. (since August 2020 and member of the audit committee) • served on the boards of National Bank of Canada (from October 2010 to April 2020 and member of the human resources committee), Markit Ltd. (from 2013 to July 2016 and member of the governance committee, human resources committee and compensation committee), and Obsidian Energy Ltd. (formerly Penn West Petroleum Ltd.) (from 2012 to June 2016 and member of the audit committee, governance committee and the human resources and compensation committee (chair from 2014 to 2015)) 	<ul style="list-style-type: none"> • has over 20 years of experience in the financial services industry and brings a diverse skillset to the board • Honours Business Administration (HBA), Ivey Business School, Western University • Master of Business Administration (MBA), Harvard Business School
<p>Angel Mendez Rancho Santa Fe, California U.S.A. Director since 2016</p>	<ul style="list-style-type: none"> • Compensation • Nominating and governance (chair) 	<ul style="list-style-type: none"> • business executive and corporate director • Executive Chairman of the Board of LevaData, Inc. (since August 2020) • serves on the board of directors of Sleep Number Corporation (since October 2021 and member of the audit committee) and Peloton Interactive, Inc. (since February 2022) • Chief Operating Officer at HERE (from August 2016 to June 2020) and was responsible for the strategic and operational execution of the company's core business, with a particular emphasis on operational excellence, business process innovation and systems automation • also serves on the board of the Association of Governing Boards of Universities and Colleges and the board of trustees of Lafayette College Board of Trustees where he 	<ul style="list-style-type: none"> • has over 35 years of management expertise with some of the world's leading companies • led Cisco's Customer Value Chain Management organization (November 2008 to September 2011), responsible for corporate quality assurance, demand management, new product introduction, strategic sourcing, manufacturing, logistics, and customer service • prior to joining Cisco in 2005, served as Senior Vice President of Global Operations for Palm Computing Inc., where he led the company's operational turnaround • held a number of senior executive roles at AlliedSignal Inc., Citigroup Inc., and Gateway, Inc. after starting his career at General Electric Company where he served 11 years in increasingly responsible assignments • Master of Business Administration, The Crummer School, Rollins College, Florida • Bachelor of Science degree (electrical engineering), Lafayette College, Pennsylvania

		<p>chairs the Committee on Trustees and Governance</p> <ul style="list-style-type: none"> • Senior Vice President, Cisco Transformation (September 2011 to March 2015), leading the Accelerated Cisco Transformation Program, a multi-year effort that reinvented Cisco's business model and enabled significant increases in growth and shareholder value 	
<p>Pamela Passman Washington, DC U.S.A. Director since 2018</p>	<ul style="list-style-type: none"> • Nominating and governance 	<ul style="list-style-type: none"> • corporate director • Chair, Corporate and Managing Director with APCO Worldwide LLC, a global public affairs firm (August 2021 to present) • Senior Associate (Non-Resident), Center for International and Strategic Studies (2020 to present) • Vice-Chair of the Ethisphere Institute (2018 to 2020) and President of the Center for Responsible Enterprise and Trade (2011 to 2020), organizations that work with global companies to advance risk management internally and with their supply chains • member of the Council on Foreign Relations (member of the Nominating and Governance Committee) • serves on the boards of Lafayette College Board of Trustees (and chair of Student Life Committee) and Kids in Need of Defense (KIND) (also serves as Vice-Chair) 	<ul style="list-style-type: none"> • brings top-level industry and global risk management experience as well as cybersecurity, intellectual property protection and ethics and compliance expertise • culminated a 15-year career at Microsoft in 2011 as Corporate Vice President and Deputy General Counsel, Global Corporate and Regulatory Affairs. She advised the Microsoft board and led the company's regulatory compliance in over 100 countries, addressing a range of privacy, security and other issues related to cloud computing, and its corporate philanthropic and citizenship work • Bachelor of Arts (government and law), Lafayette College • J.D., University of Virginia School of Law
<p>Elizabeth (Betsy) Rafael Scottsdale, Arizona U.S.A. Director since 2020</p>	<ul style="list-style-type: none"> • Audit (chair) 	<ul style="list-style-type: none"> • corporate director and Certified Public Accountant • serves on the boards of Autodesk, Inc. (since September 2013 and chair of the audit committee) and Informatica Inc. (since October 2021 and chair of the audit committee) • also served on the boards of Echelon Corporation (2005 to 2018), GoDaddy Inc. (2014 to 2018), Shutterfly, Inc. (2016 to 2019) and Proofpoint, Inc. (2021) 	<ul style="list-style-type: none"> • has more than 30 years of executive financial experience in the technology industry • Vice President and Corporate Controller at Apple in 2007, and in January 2008 was appointed to the additional role of Principal Accounting Officer until her retirement in October 2012 • Vice President, Corporate Finance at Cisco Systems (from September 2006 to August 2007) and Vice President, Corporate Controller and Principal Accounting Officer (from April 2002 to September 2006) • Bachelor of Science (accounting), Santa Clara University
<p>Kelly Thomas Birmingham, Michigan U.S.A. Director since 2018</p>	<ul style="list-style-type: none"> • Compensation • Audit 	<ul style="list-style-type: none"> • business executive and corporate director • CEO of Worldlocity, a research and advisory firm, specializing in supply chain management software (since 2018) • Chief Product Officer of JDA Software (2015 to 2017) 	<ul style="list-style-type: none"> • has more than 30 years of experience in leading teams in design, development, sales, and delivery of supply chain management and manufacturing execution solutions • previously with i2 Technologies, where he held a number of executive positions, including SVP of product strategy and SVP and GM of the manufacturing sector • held a number of technology leadership positions at EDS (from 1985 to 1995) and led the implementation of large systems integration and software development programs

		<ul style="list-style-type: none"> • former member of the board of the Supply Chain Council • Bachelor of Science (chemical engineering), Rutgers University (Slade Scholar)
John Sicard Ottawa, Ontario Canada Director since 2016	–	<ul style="list-style-type: none"> • President and Chief Executive Officer of Kinaxis Inc. since January 2016 • has over 25 years of experience with Kinaxis. First started at the company as a key contributor to the architecture and development of Kinaxis' supply chain management solutions in early 1994, and has since held a number of senior management roles in development, professional services, business consulting, sales, marketing and customer support, including as Executive Vice President of Marketing and Development, Chief Operating Officer and Chief Strategy Officer

Executive officers

Our executive leadership team is headed by John Sicard, our President and CEO, and includes 10 other executive officers.

John Sicard President and Chief Executive Officer Ottawa, Ontario Canada Joined in April 1994		<p>John Sicard has over 25 years' tenure at Kinaxis. He started at the company as a key contributor to the architecture and development of Kinaxis' supply chain management solutions in early 1994, and has since held a number of senior management roles in development, professional services, business consulting, sales, marketing and customer support, including as Executive Vice President of Marketing and Development, Chief Operating Officer and Chief Strategy Officer. Before joining Kinaxis in 1994, Mr. Sicard held senior software architect positions in research and development at FastMAN Software Systems Inc. (also known as Promira Software Inc. before being purchased by Manugistics Group Inc.), and Monenco Agra Inc. Mr. Sicard holds a Bachelor of Computer Science degree from Concordia University in Canada. Mr. Sicard is also a graduate of Harvard Business School's Advanced Management Program in Massachusetts.</p>
Blaine Fitzgerald Chief Financial Officer Ottawa, Ontario Canada Joined in March 2020		<p>Blaine Fitzgerald oversees the company's finance, procurement and corporate IT functions at Kinaxis. He joined the company in March 2020 as Executive Vice President, Finance and was appointed Chief Financial Officer in August 2021. Mr. Fitzgerald brings more than 20 years of finance experience to the Kinaxis team, including many years in the high-tech industry. Prior to joining Kinaxis, he served over five years as Vice President of Finance at e-commerce giant Shopify. During his time at Shopify, Mr. Fitzgerald was instrumental in taking Shopify public in 2015 and continued to support the company's rapid growth by building a global team to meet the needs of an organization that scaled to more than \$1 billion in revenue and over 4,000 employees. Mr. Fitzgerald is a Chartered Professional Accountant and has a Bachelor of Economics from Simon Fraser University.</p>
Paul Carreiro Chief Commercial Officer Sarasota, Florida U.S.A. Joined in October 2017		<p>Paul Carreiro leads the Sales, Professional Services and Alliance teams to drive revenue growth globally, building directly on the company's objective of assuring the delivery of continuous customer value. With more than 20 years of leadership experience in the supply chain and enterprise software industry, Mr. Carreiro came to Kinaxis after holding senior positions at organizations such as IBM, SAP (January 2002 to February 2013), and most recently with Infor (February 2013 to October 2017), where he held the position of President and Managing Director, EMEA. Mr. Carreiro holds a Master of Business Administration from the London School of Economics and Political Science/NYU Stern/HEC, in addition to completing the Director's College Program at McMaster University and Stanford University's Advanced Management Program.</p>
Anne Robinson Chief Strategy Officer Ottawa, Ontario Canada Joined in January 2019		<p>Anne Robinson is responsible for accelerating our strategy development in the areas of analytics, digital transformation, and supply chain to increase customer value. As Executive Director, Global Supply Chain Strategy, Analytics and Systems at Verizon, Dr. Robinson was responsible for the strategic vision of their global end-to-end supply chain, driving excellence through world-class data-analytics, process innovation and employee empowerment. Before Verizon, Dr. Robinson spent several years at Cisco where she was responsible for managing advanced analytics, business intelligence and performance management teams. Dr. Robinson is a past president of INFORMS (the Institute for Operations Research and Management Sciences), a seasoned industry speaker and has served on several advisory boards. Originally from St. John's, Newfoundland and Labrador, Dr. Robinson has a Bachelor of Science Honours in Mathematic from Acadia University, Master of Applied Science in Management</p>

	Sciences from the University of Waterloo and a Master of Science and PhD in Industrial Engineering from Stanford University.
Kerry Liu Executive Vice President, Product Management and Innovation Toronto, Ontario Canada Joined in July 2020	Kerry Liu joined Kinaxis through its acquisition of Rubikloud Technologies Inc. in July 2020. He was CEO and Co-Founder of the machine learning company that became a leader in retail and CPG forecasting and optimization technologies. As Executive Vice President of Product Management and Innovation at Kinaxis, Mr. Liu leads the integration of Rubikloud products and capabilities with the RapidResponse platform. He also leads a team focusing on strategic technology partnerships and M&A opportunities. Prior to Rubikloud, Mr. Liu was an early employee at Strangeloop Networks (acquired by Radware) where he led the channel partnerships business. Mr. Liu resides in Toronto but grew up in Vancouver, British Columbia. He graduated from UBC with a Bachelor of Commerce and completed a Chartered Accountant designation with PricewaterhouseCoopers. In his spare time, Mr. Liu is actively involved in the start-up community as an advisor and angel investor.
Jay Muelhoefer Chief Marketing Officer Boston, Massachusetts U.S.A. Joined in March 2018	Jay Muelhoefer brings an extensive go-to-market background to elevate awareness of the Kinaxis vision and drive innovation across strategy, demand generation, brand and global execution. Mr. Muelhoefer served most recently as Chief Marketing Officer at Intralinks (November 2015 to July 2017) where he led a global team through the execution of multiple go-to-market and demand generation strategies. Prior to Intralinks, Mr. Muelhoefer held CMO roles at IBM (January 2013 to November 2015) and Platform Computing (October 2010 to January 2013), and was the General Manager of SaaS PLM at PTC (Parametric Technology Corp). A customer-focused and relationship-driven leader, Mr. Muelhoefer draws on his valuable cross-functional experience to both grow the Kinaxis brand and marketing team to achieve the company's long-term objectives. Mr. Muelhoefer holds an MBA from Harvard Business School, and both a Master of Science and Bachelor of Science in Engineering from the Massachusetts Institute of Technology.
Andrew McDonald Chief Product Officer Ottawa, Ontario Canada Joined in October 2018	Andrew McDonald leads the product management, software design, research and development, quality, certification, and documentation teams with a focus on further accelerating Kinaxis innovations for the market. Mr. McDonald has more than 20 years of experience growing software businesses by building innovative and creative product teams that produce industry-leading solutions for customers. He comes to Kinaxis after holding numerous leadership positions at technology companies including President of the Platforms Business Division at Alcatel-Lucent, where he led the \$1B/year business in software focusing on innovation and the move to the cloud. As Chief Product Officer of venture capital backed CENX, Mr. McDonald helped guide the cloud-based software company to a successful exit through an acquisition by Ericsson. Mr. McDonald holds a Bachelor of Computer Engineering with an option in Management Science from the University of Waterloo.
Megan Paterson Chief Human Resources Officer Ottawa, Ontario Canada Joined in July 2008	Megan Paterson was appointed Chief Human Resources Officer in August 2018 and oversees global human resources operations at Kinaxis. With over 15 years of industry experience, Ms. Paterson has played an integral role in developing the performance based culture at Kinaxis since joining the company in 2008. As part of her role, she ensures that the human resources programs support the goals and objectives of the company, while also cultivating the organization as a top employer of choice, which has led to Kinaxis being recognized for a multitude of awards over the years. Before joining Kinaxis, Ms. Paterson worked at EMS Technologies/ Honeywell, Sedona Networks and Trillium Photonics. Ms. Paterson holds a Bachelor of Arts (psychology) from Carleton University.
Michael Mauger Chief Customer Success Officer Halifax, Nova Scotia Canada Joined in October 2017	Michael Mauger leads with a global perspective and directs worldwide customer care and cloud services (SaaS/Public Cloud) functions with a focus on support demand reduction and exemplary client satisfaction. Prior to joining Kinaxis in 2017, Mr. Mauger helped build global support and services teams around the world for Quest Software, Dell Software, SkillSoft (formerly SmartForce) and RBC Dominion Securities. With over 20 years of corporate leadership experience, Mr. Mauger has an established track record of exceeding enterprise-wide service levels with a focus on customer support demand reduction and high customer satisfaction. Mr. Mauger has earned multiple performance awards for delivering tangible outcomes, helped manage a customer support website that ranked in the top 10 in the industry and is a recognized leader in customer service playing many support roles throughout his career.
Jamie Hollingworth Chief Legal Officer Ottawa, Ontario Canada Joined in January 2015	Jamie Hollingworth is responsible for overseeing all legal matters and functions at Kinaxis. Prior to joining Kinaxis in 2015, Mr. Hollingworth was a lawyer at Gowlings WLG where he advised technology companies and their investors in corporate finance, corporate governance, M&A and related corporate matters. Prior to Gowlings Mr. Hollingworth was Legal Counsel (Mergers & Acquisitions) at Blackberry and an associate at Dentons Canada LLP. Mr. Hollingworth holds a Bachelor of Laws (LLB) and Bachelor of Science (Biology/Biotechnology) degrees from the University of Ottawa.
David Kelly Executive Vice President, Professional Services Bend, Oregon U.S.A. Joined in June 2014	David Kelly joined Kinaxis with more than 20 years of experience working for enterprise software companies in a professional services capacity. Prior to joining Kinaxis in 2014, Mr. Kelly was at IBM (June 2011 to May 2014) where he led IBM's Enterprise Content Management (ECM) worldwide services business. As IBM's worldwide ECM services leader, Mr. Kelly worked directly with IBM's largest global customers, global IBM sales teams, and managed a sales and delivery team that was responsible for driving services revenue and delivery of ECM solutions. Mr. Kelly holds a Bachelor of Arts degree from Wayne State University and has participated in several management classes including Executive Leadership and Negotiations at Rice University.

Additional information

Cease trade orders

Except as noted below, none of our directors or executive officers has, within the 10 years prior to the date of this AIF, been a director, chief executive officer or chief financial officer of any company (including us) that, while acting in that capacity (or after the person ceased to act in that capacity but resulting from an event that occurred while that person was acting in that capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Ms. Denham was a member of the board of directors of Obsidian Energy Ltd. (formerly Penn West Petroleum Ltd.) from June 13, 2012 to June 23, 2016. Obsidian Energy Ltd. was subject to a management cease trade order from the Alberta Securities Commission and a substantially similar cease trade order from the Ontario Securities Commission following the July 2014 announcement by Obsidian Energy Ltd. of the review of some of its accounting practices and its decision to restate its financial statements. The cease trade orders terminated on September 23, 2014.

Bankruptcies

Except as noted below, none of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Kinaxis has, within the 10 years prior to the date of this AIF:

- become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or
- been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Giffen became a director of Syncapse Corp. (Syncapse), a private social media marketing management company, in May 2010 and resigned shortly before the appointment of a receiver in July 2013. The assets of Syncapse were subsequently sold under receivership.

To the best of our knowledge:

- none of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Kinaxis has been:
 - subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
 - subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision
- there are no existing or potential conflicts of interest among Kinaxis and our directors, officers or other members of management as a result of their outside business interests, except that some of our directors and officers serve as directors and officers of other companies. It's possible that a conflict could arise between their duties to us and their duties as a director or officer of these other companies.

You can find more information about director and executive compensation, loans to directors and officers, principal holders of our securities, securities authorized for issuance under equity compensation plans and conflicts of interest in our 2021 management information circular, available on our website (www.kinaxis.com) and on SEDAR (www.sedar.com).

Capital structure

Our capital structure consists of shareholders' equity. We currently do not have any long-term debt.

SHARE CAPITAL

Our authorized share capital consists of an unlimited number of common shares. We had a total of 27,462,834 common shares issued and outstanding as of December 31, 2021.

Holders of our common shares are entitled to one vote for each common share they hold at all our shareholder meetings. Holders of our common shares are entitled to receive any dividends declared on our common shares by Kinaxis. If there is a voluntary or involuntary liquidation, dissolution or winding-up of the company, holders of our common shares are entitled to receive our remaining property and assets available for distribution after liabilities are paid.

The rights, privileges, restrictions and conditions attached to our common shares are qualified in their entirety in our articles and by-laws which are available under our profile on SEDAR (www.sedar.com).

MARKET FOR OUR COMMON SHARES

Our common shares trade on the TSX under the symbol *KXS*. The table below shows the monthly range of high and low prices per common share at the market close on the TSX and the total monthly volume of our common shares traded on the TSX for our most recent completed financial year:

2021	High (Cdn\$)	Low (Cdn\$)	Total monthly volume
January	\$187.25	\$162.58	1,824,168
February	\$190.00	\$163.88	1,337,522
March	\$176.50	\$124.05	4,975,690
April	\$161.90	\$145.42	1,393,388
May	\$161.00	\$134.00	2,421,178
June	\$166.13	\$130.88	2,206,983
July	\$169.54	\$151.89	1,027,578
August	\$204.72	\$161.39	1,507,984
September	\$207.32	\$179.49	1,212,124
October	\$196.50	\$171.32	864,665
November	\$229.98	\$191.77	1,513,050
December	\$197.04	\$164.38	1,377,294

As of December 31, 2021, we were not aware of any contractual restrictions on the transfer of our common shares.

DIVIDEND POLICY

We do not currently pay cash dividends on our common shares. The board has discretion to declare and pay dividends on our common shares and reviews the dividend policy from time to time in the context of our earnings, financial condition and other relevant factors.

Credit facility

We have a Cdn\$20 million revolving demand credit facility which bears annual interest at the bank prime rate. We have not drawn on the credit facility as at December 31, 2021.

You can find more information about the credit facility agreement in our annual consolidated financial statements in our 2021 annual report on our website (www.kinaxis.com).

Legal and other information

Transfer agent and registrar

Our transfer agent and registrar for our common shares is TSX Trust Company (Canada) at its principal offices in Toronto, Ontario.

Interests of management and others in material transactions

To our knowledge, no director, executive officer or any person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the company's shares, or any of their respective associates or affiliates has a material interest, direct or indirect, in any transaction within the three years prior to the date of this AIF, or any proposed transaction, that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

Material contracts

There are no material contracts, other than those contracts entered into in the ordinary course of business since the beginning of our 2021 fiscal year, or entered into prior to this date, but which are still in effect and are required to be filed with Canadian securities regulatory authorities in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Experts

Our annual consolidated financial statements for the years ended December 31, 2021 and 2020 have been audited by KPMG LLP. KPMG LLP are the auditors of the company and have confirmed that they are independent of Kinaxis within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Legal matters

We may be, from time to time, involved in legal proceedings in the ordinary course of business. There are inherent uncertainties in such legal matters and we cannot predict any of their outcomes.

In December 2020 Kinaxis was made aware of a complaint filed by Blue Yonder, Inc. in the United States District Court for the Northern District of Texas alleging patent infringement. Blue Yonder's relief sought includes damages but does not specify an amount of damages. In February 2021 we filed a motion to dismiss the entirety of the complaint, citing that Blue Yonder's patents are invalid, and have filed counterclaims alleging that Blue Yonder has violated federal and Texas law by misappropriating certain of Kinaxis' trade secrets.

In May 2021 we announced that the district court of the Northern District of Texas deferred ruling on the merits of Kinaxis' motion to dismiss Blue Yonder's lawsuit on the basis that the patents are invalid until the parties can further develop the record in the case.

This case is ongoing with trial currently set to begin in March 2023. We will continue to vigorously defend against the claims made by Blue Yonder and pursue all avenues to protect our intellectual property rights.

Advance notice requirements

We have advance notice requirements to facilitate an orderly and efficient process for receiving shareholder proposals and ensure that shareholders receive adequate notice of and information about a proposal so they can make an informed voting decision.

Type of meeting	Deadline for our Corporate Secretary to receive a shareholder proposal or a proposal by a person to be nominated by a shareholder	
Annual meeting	Before the close of business, 70 to 100 days before the first anniversary date of our immediately preceding annual meeting Before the close of business on the 70th day before the meeting and the 10th day following the day we first publicly announced the date of the meeting, if our annual meeting is called for a date that's not within 30 days before or after the anniversary date of the preceding annual meeting	Our by-laws set out the information that a shareholder must include in the notice and the procedures to be followed for a special meeting of shareholders, among other things.
Special meeting	Please see our by-laws in the investor relations section of our website (www.kinaxis.com), or under our profile on SEDAR (www.sedar.com)	

Our by-laws, including the advance notice provisions, were approved by shareholders before we completed our initial public offering in June 2014.

ABOUT FORWARD-LOOKING INFORMATION

This AIF includes statements and information about our current expectations and views of future events. We've 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.

Key things to know

Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this AIF and may not be suitable for other purposes.

These statements are based on certain assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate.

Such assumptions include, but are not limited to, assumptions regarding: (a) customer demand for the company's services; (b) the company's ability to maintain and enhance customer relationships; (c) market conditions, including negative impacts from the continued spread of COVID-19 on the global economy or on the company's business; (d) levels of government spending; (e) the company's ability to bring to market products and services; (f) the company's ability to execute on its acquisition program including successful integration of previously acquired businesses; (g) expected actions of third parties; (h) applicable laws, regulations and any amendments thereof; (i) our ability to comply with applicable governmental regulations and standards; and (j) our success in implementing our strategies and achieving our business objectives.

You can often identify forward-looking statements by words or phrases like *may, will, could, expect, anticipate, aim, estimate, plan, seek, believe, potential, predict, ongoing, continue, is/are likely to* or the negative of these terms, or other similar expressions intended to identify forward-looking statements.

Our forward-looking information includes statements about the following, among other things:

- our expectations about our revenue, expenses and operations
- our anticipated cash needs
- our ability to protect, maintain and enforce our intellectual property rights, including our ability to defend against third party claims
- third party claims of infringement or violation of, or other conflicts with, intellectual property rights by us
- 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 ability to attract and retain our people
- our expectations with respect to advancement in our technologies
- our competitive position and our expectations regarding competition
- regulatory developments and the regulatory environments we operate in
- anticipated trends and challenges in our business and the markets we operate in
- expansion of our partnerships
- completion of our new building and opportunities related to it
- expectations relating to a hybrid office/work-from-home approach and results on the company's carbon footprint
- anticipated trends, standards and challenges in our business and the markets we operate in, and
- expected impact of COVID-19 on the company's future operations and performance.

About risk and uncertainties

Forward-looking statements are also subject to risks and uncertainties including:

- risks related to managing our growth
- our dependence on customer retention and renewals
- our sales cycle length
- our reliance on recurring revenue
- fluctuations in quarterly operating results
- exchange rate fluctuations
- risks related to expanding our marketing and sales
- risks related to our ability to maintain the compatibility of our solutions with third party applications
- risks related to our ability to adapt to rapid technological change
- risks related to our ability to meet our contractual commitments
- risks related to global economic conditions
- risks related to terrorism, geopolitical crisis, or widespread outbreak of an illness or other health issue
- risks related to the security of customer information

- risks related to the protection of our intellectual property
- risks related to the complexity of our solutions
- competition in our industry and markets
- our reliance on key personnel
- risks related to our ability to continue to develop our direct sales force
- our reliance on third party service providers
- the possibility of product defects
- risks associated with acquisitions and the integration of the acquired businesses
- risks related to international expansion, and
- risks related to climate change.

We describe these risks in more detail under *Risk factors* starting on page 27.

All of the forward-looking statements in this AIF are qualified by these cautionary statements and other cautionary statements or factors in this document. There is no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Kinaxis.

The forward-looking statements made in this document relate only to events or information as of the date of this AIF and are expressly qualified in their entirety by this cautionary statement. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future or unanticipated events or otherwise, unless we are required by law to do so.

Appendix

KINAXIS INC. (THE “CORPORATION”) Audit Committee Charter

1. Policy Statement

It is the policy of the Corporation to establish and maintain an Audit Committee (the “Committee”) to assist the directors (individually a “Director” and collectively the “Board”) of the Corporation in carrying out the Board’s oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; (b) compensation to any advisers engaged by the Committee under section 4(c)(iii) of this charter; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation’s external auditor, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

2. Composition of Committee

- (a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Nominating and Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the “Chair”).
- (b) All of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”), and the rules of any stock exchange or market on which the Corporation’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”). In this charter, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. No member of the Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years.
- (c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- (d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. Meetings of the Committee

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the external auditor or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management discussion and analysis.
- (b) Notice of each meeting of the Committee shall be given to each member of the Committee.
- (c) Notice of a meeting of the Committee shall:
 - (i) be in writing, which includes electronic communication facilities;
 - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
 - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as a majority of members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of all matters material to the Corporation’s financial statements and/or its public disclosure by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

- (f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.
- (h) The Committee may invite the external auditor to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation, including its public disclosure.
- (i) The Committee (i) shall meet with the external auditor separately from individuals other than the Committee; (ii) may meet separately with management of the Corporation; and (iii) may meet separately with internal or external legal counsel to the Corporation or to the Committee.
- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

4. Duties and Responsibilities of the Committee

- (a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the “external auditor”) as well as the compensation of the external auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including, subject to the professional and legal obligations of the external auditor, as well as applicable law, the resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.
- (b) Subject to the directors’ statutory and common law duties, the other primary duties and responsibilities of the Committee are to:
 - (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
 - (ii) monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (iii) monitor the independence, objectivity and performance of the external auditor, including, without limitation: (A) ensuring the Committee’s receipt from the external auditor at least annually of a formal written statement delineating all relationships between the external auditor and the Corporation; (B) actively engaging in dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditor;
 - (iv) evaluate the performance of the external auditor at least annually;
 - (v) oversee and monitor the performance of the Corporation’s internal auditor, if applicable;
 - (vi) deal directly with the external auditor to approve external audit plans, other services (if any) and fees;
 - (vii) directly oversee the external audit process and the results thereof (in addition to items described in subsection 4(e) below);
 - (viii) facilitate communication between the external auditor, management and the Board;
 - (ix) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
 - (x) carry out a review designed to ensure that an effective “whistle blowing” procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
 - (xi) oversee all pension and retirement benefit plans if and when established.
- (c) In addition to the rights the directors have pursuant to applicable laws, the Committee shall have the authority to:
 - (i) inspect any and all of the books and records of the Corporation and its subsidiaries;
 - (ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditor, such accounts, records and other matters as any member of the Committee considers appropriate;
 - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

- (d) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

- (e) Subject to the obligations under applicable laws of the external auditor, and based on the information provided to it by management and the external auditor, the Committee shall:
 - (i) review the audit plan with the external auditor and with management;
 - (ii) review with the external auditor the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards (“IFRS”) that the external auditor have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor;
 - (iii) discuss with management and the external auditor any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - (iv) review with management and with the external auditor material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;

- (v) review any problems experienced or concerns expressed by the external auditor in performing any audit or review procedures, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
 - (vi) review with the external auditor any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), the substance of any communications between the audit team and the external auditor’s national office respecting auditing or accounting issues presented by the engagement, any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditor to the Corporation, any management representation letter signed by one or more representatives of management, or any other material written communication provided by the external auditor to the Corporation’s management reflecting a disagreement between management and the external auditor on accounting or auditing issues;
 - (vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
 - (viii) review and discuss with management and the external auditor any off-balance sheet transactions or structures and their effect on the Corporation’s financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation’s public filings;
 - (ix) review the audited annual financial statements (including management discussion and analysis) and related documents in conjunction with the report of the external auditor and obtain an explanation from management of all material variances between comparative reporting periods;
 - (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditor and management’s response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;
 - (xi) review with financial management and the external auditor the quarterly unaudited financial statements and management discussion and analysis before release to the public;
 - (xii) periodically meet separately with management and with the external auditor;
 - (xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditor or management;
 - (xiv) to the extent it is not otherwise prohibited by law, discuss with management and the external auditor any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation’s financial statements or accounting policies;
 - (xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
 - (xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditor, or the external auditor of subsidiaries of the Corporation, subject to the overriding principle that the external auditor not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority reporting to the Committee at the next scheduled meeting;
 - (xvii) approve the engagement letter for non-audit services to be provided by the external auditor or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditor;
 - (xviii) when there is to be a change of external auditor, review all issues and provide documentation related to the change that is to be provided by the Corporation under applicable law, including the information to be included in the notice of change of auditor and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
 - (xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditor.
- (f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:
- (i) review the Corporation’s annual and interim financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
 - (ii) review with management its evaluation of the Corporation’s procedures and controls designed to assure that information required to be disclosed in the Corporation’s periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable securities laws for the filing of such reports (“Disclosure Controls”), and consider whether any changes are appropriate in light of management’s evaluation of the effectiveness of such Disclosure Controls;
 - (iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
 - (iv) satisfy itself that adequate procedures are in place for the review of the Corporation’s public information extracted from the Corporation’s financial statements, other than the public information reviewed in accordance with section (i), and periodically assess the adequacy of those procedures;
 - (v) to the extent deemed appropriate, review and supervise the preparation by management of:
 - A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
 - B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
 - C. correspondence broadly disseminated to shareholders of the Corporation; and
 - D. other relevant written and oral communications or presentations;
 - (vi) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, focusing particularly on:

- A. any changes in accounting policies and practices;
 - B. any material areas where judgment must be exercised;
 - C. material adjustments resulting from the audit;
 - D. the going concern assumption, if any;
 - E. compliance with accounting standards
 - F. the usage of non-GAAP measures; and
 - G. subject to the advice of internal or external legal counsel, compliance with stock exchange and legal requirements.
- (g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditor or senior management.
 - (h) The Committee shall periodically review with management the need for an internal audit function.
 - (i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.
 - (j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
 - (k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.
 - (l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
 - (m) The Committee shall review with the Chief Executive and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditor, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
 - (n) The Committee shall establish and maintain procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
 - (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.
 - (o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, any Anti-Bribery and Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.
 - (p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - Continuous Disclosure Obligations.
 - (q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.
 - (r) The Committee shall, in consultation with the Nominating and Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Nominating and Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.
 - (s) The Committee shall periodically review any Anti-Bribery and Anti-Corruption Policy of the Corporation that is established and make recommendations to the Board regarding such policy that the Committee shall deem appropriate.
 - (t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
 - (u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.
 - (v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
 - (w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Directors on March 3, 2021.



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