



FY23 Results Presentation

August 23rd, 2023



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All currency amounts in this presentation are in Australian dollars unless otherwise stated. Amounts in this document have been rounded and any differences between this document and COSOL's financial statements are due to rounding.

AUTHORISATION

This presentation is dated 23rd August 2023 and was authorised for release by the Board of COSOL.

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COSOL delivered further strong growth in revenue and earnings and created an expanded operating platform for continued growth in FY24

Key Highlights



FY23 Group revenue, \$75.1 million, (+ 55.7% pcp), EBITDA of \$11.6 million, (+ 37.4% pcp), NPAT, \$8.0 million, (+44.3% pcp) and EPS was 5.43c/ share (+35.5% pcp).



Operating margins (EBITDA) remain robust at 15.5%, even after allowing for transformation and integration costs, and once-off restructuring costs of ~ \$400,000 and \$300,000 of aborted acquisition costs in H2



FY23 saw **significant contract wins and extensions** across new and existing key customers in the energy, utilities, natural resources and defence sectors.



The **acquisition of WMS** provided the platform for offering end to end asset management software and services and has been embraced by existing COSOL clients with an appetite for additional services that optimise their operations.



Growth in the expansion of capabilities and margin improvement in North America and a strong performance of the core COSOL business in APAC, drove **organic revenue growth across COSOL of 18% in revenue and 15% in EBITDA** respectively.



Through continued organic growth and the recent acquisition of AssetOn Group (which will complete in early September) a platform has been **established for a \$100m plus revenue in FY24** with consistent and growing EBITDA margins.

FY23 Operating Highlights

A number of positive outcomes across organic segments of the business and acquisitions has created an operating scale for future growth.



Acquisition of WMS: The acquisition of Work Management Solutions (WMS) underpins our ability to build out our Asset Management as a Service (AMaaS) capability and provides access to blue chip client base and comes with unique I.P.



Key Contract Wins: Utilising our proprietary software and solutions a number of key strategic contract wins with Department of Defence, Glencore's Koniambo Nickel SAS Project and OK Tedi were executed.



Strong results in North America: A number of key agreements were signed that demonstrated the ability to cross sell services and IP from Australia into North America. Highlights were contract wins with Arch Resources, SSR Mining and DeBeers Canada.



Expansion of our proprietary EAMaaS solution: Through the renewals of a number of significant customers including Pacific National and securing a number of new customers in both Australia and North America.



OneCOSOL - Successfully completed the execution of OneCOSOL integration transformation project that streamlines operations across the group, creates enhanced revenue synergies and optimises resource allocation across the group.



...creating a strong platform for growth in FY24

FY23 Financial Highlights



Organic Business* maintained strong EBITDA Margin of 17.1% on 18.4% year-on-year revenue growth

Revenue
\$75.1M

EBITDA
\$11.6M

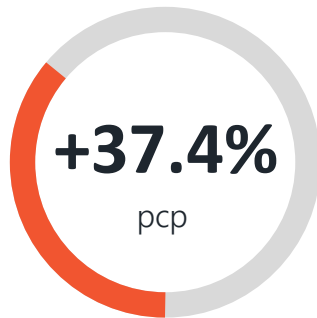
NPAT
\$8.0M

Dividend
2.46c

Group revenue
\$75.1m



Group EBITDA
\$11.6m



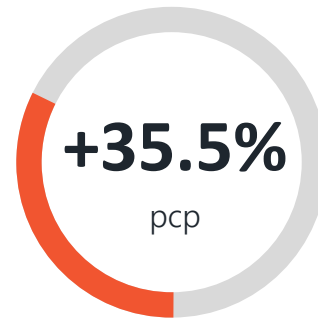
Group
EBITDA Margin



NPAT
\$8.0m



EPS
5.43 cents



- Balance Sheet - cash balance of \$4.6M - was impacted by increase in debtor days and accrued revenue. Net debt of \$9.9M less than 1 times EBITDA
- Final dividend 1.46 cent in addition to the interim dividend of 1 cent

FY23 Financials

Earnings and Key Metrics

Strong organic earnings growth with a step change in momentum in the second half of the year

(\$'000)	FY23	FY22	YoY	YoY %
Revenue	75,102	48,236	26,866	55.7%
EBITDA	11,610	8,449	3,162	37.4%
EBITDA %	15.5%	17.5%	-2 points	
EBIT	11,094	8,058	3,036	37.7%
EBIT %	14.8%	16.7%	-1.9 points	
NPBT	10,169	7,627	2,542	33.3%
NPAT	7,986	5,533	2,454	44.3%
Net debt ¹	9,943	6,894	-3,048	
Current Ratio ¹	1.28	1.09	0.19	18%
EPS cents ²	5.43	4.01	1.42	35.5%
Dividend (cents) ³	2.46	1.92	0.54	28.1%

1. Net debt and current ratio at 30 June 2022 from pro forma balance sheet, reflecting refinance of Westpac, acquisition of WMS and payment of deferred consideration for Clarita + Addons.

2. EPS is calculated based on the weighted average number of shares on issue during the year

6 3. Dividend payment based on shares on issue at record date. For the final dividend payment in November this will include the shares issued for the capital raise announced on 3 August 2023 and the shares issued to the vendors of AssetOn



Notes

- 18% organic EBITDA growth driven by revenue growth whilst maintaining margin. H2 revenue and EBITDA year on year growth was above 20% with strong momentum across all service lines
- Margin dilution through the acquisition of WMS business in August 2022 as anticipated
- EBITDA includes one off costs of \$0.3 million related to due diligence and transaction advisory fees in the second half of the year. Excluding this item, EBITDA and EBIT increase to \$11.9 million (15.9%) and \$11.4 million (15.2%) respectively
- NPAT for FY23 was positively impacted by the over provision of tax in FY22 of \$623,317 adjusting FY23 EPS for this lowers EPS to 5.01 cents

FY23 Financials

Cash Flow and Balance Sheet

Cash flow impacted by working capital increase driven by increase in WMS receivables and the timing of milestone projects.

Cashflow (\$'000)	FY23	FY 22	YoY	YoY %
Receipts from customers	74,705	50,630	24,075	47.55%
Payment to suppliers	-66,282	-41,081	-25,201	61.35%
Cash from operations excl. Tax and other cash flows	8,423	9,549	-1,126	-11.80%
Cash conversion	72.54%	113.02%	-40.48 points	

Balance Sheet (\$'000)	30 Jun 23	30 Jun 22	Mvmt
Cash	4,565	6,217	(1,652)
Other current assets	25,161	13,252	11,909
Current Assets	29,725	19,469	10,257
Goodwill	43,402	38,883	4,519
Other non current assets	5,730	2,020	3,709
Total Assets	78,857	60,372	18,485
Trade payables, deferred revenue and other current liabilities	19,407	12,438	6,969
Bank Loans	2,000	3,304	(1,304)
Deferred consideration	1,875	2,151	(276)
Current liabilities	23,282	17,892	5,390
Bank Loans (NC)	10,633	5,782	4,851
Deferred consideration (NC)	-	1,875	(1,875)
Other liabilities	2,284	346	1,937
Total Liabilities	36,198	25,895	10,303
Net Assets	42,659	34,477	8,182



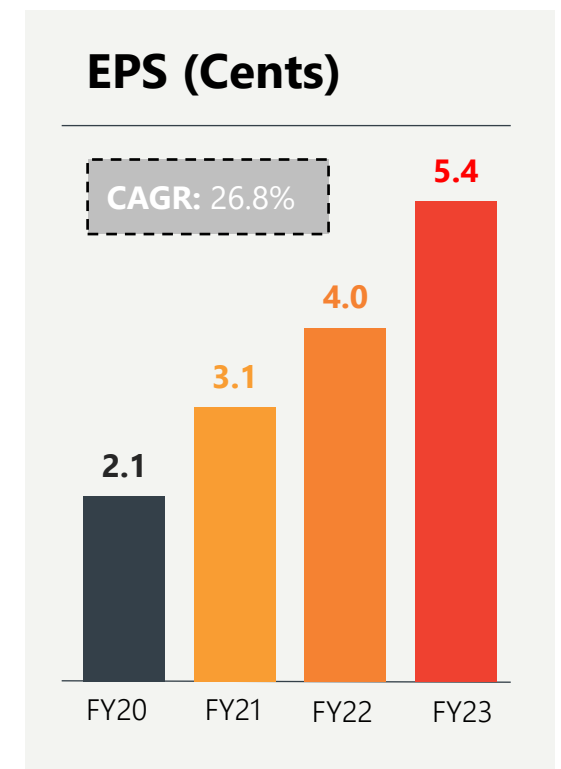
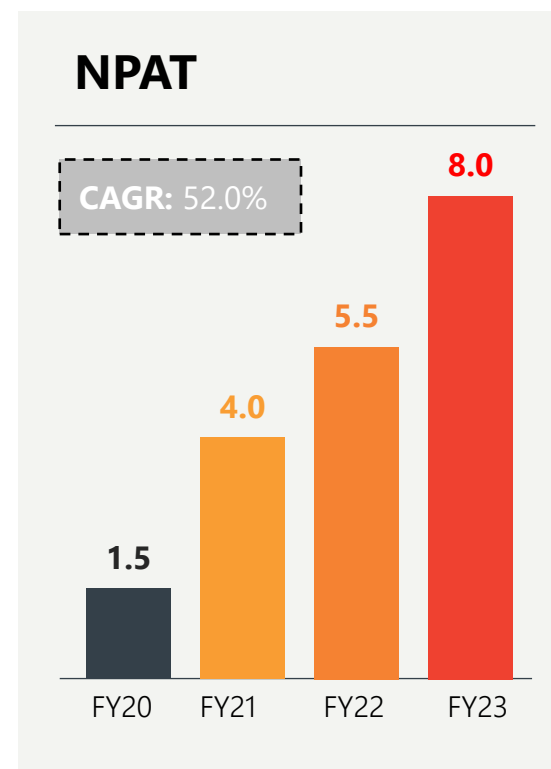
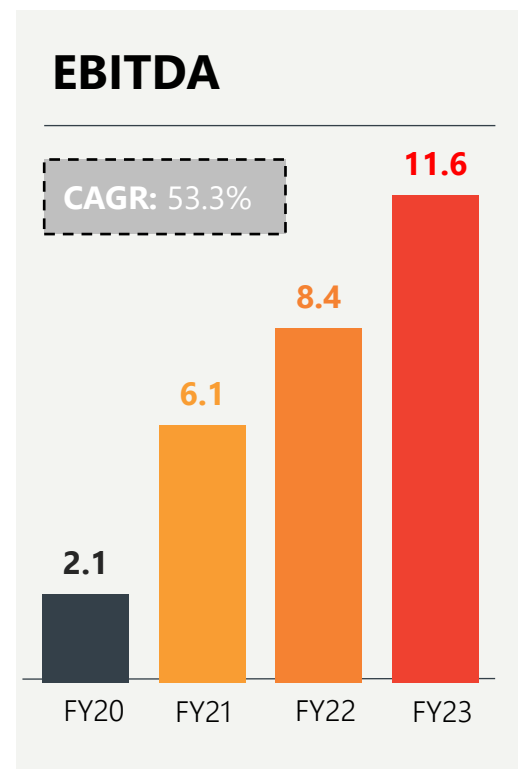
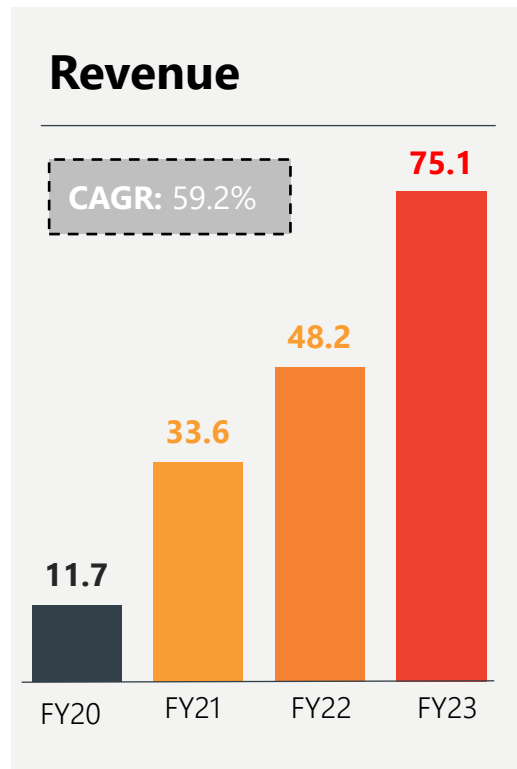
Notes

- Cash conversion and position was impacted by increase in working capital with trade receivables around \$3 million higher than anticipated due to WMS trade receivable (\$1.5 million) and accrued revenue (\$1.5 million) due to the timing of milestones invoices
- \$1.9 million Deferred consideration for maximum Clarita earnout payable in September 2023. WMS deferred consideration has been removed as minimum target was not achieved
- Net debt position of \$9.9 million, reflecting the amortization of our bank loans by \$2m during the year

Delivering On Our Strategy

Organic Growth, plus strategic acquisitions accretive to earnings, that deliver revenue synergies and IP. COSOL has delivered significant shareholder returns since 2020

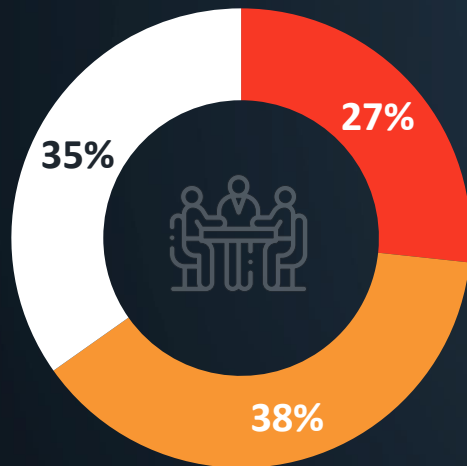
A\$m



Revenue by Segment

Revenue in FY23 was evenly split across COSOL's three primary service offerings, natural resources revenue has increased to 50% of revenue due to the acquisition of WMS.

Revenue by Service

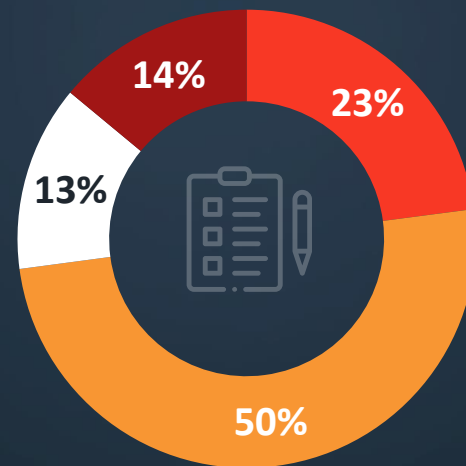


Product & Product Led Services

Advisory and Professional Services

Managed Services

Revenue by Sector



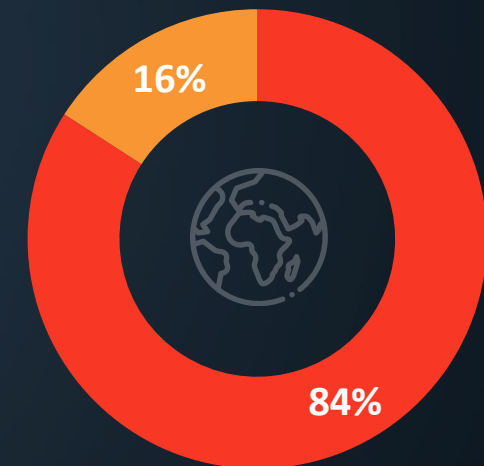
Public Infrastructure

Utilities

Natural Resources

Defence

Revenue by Geography



COSOL APAC

COSOL North America*

Margin by Service

Our focus is to continue to grow the revenue share of the higher margin managed services and product lead revenues driven by our proprietary software and solution set that solidify the client relationship



Managed Services

Revenue Share: 35%
Gross Margin: 45%

Revenue from the provision of managed support, hosting services and other services for the clients. Generally, covered by multi-year contracts and minimum spend commitments. This includes both application support services, hosting and



Product and Product Lead Services

Revenue Share: 27%
Gross Margin: 36%

Product revenue through licensing our unique IP suite and consulting revenue where the projects have been sourced due to our unique offering (i.e. Defence). The revenue in this category is more repeatable in nature rather than covered under multi-year contracts.



Advisory and Professional Services

Revenue Share: 38%
Gross Margin: 27%

Advisory and Professional services revenue represents revenue where we are engaged by clients based on our industry expertise and knowledge. This margin is lower than our other services due to the more competitive nature of the work.





Our Major Clients (Prior to AssetOn Group Acquisition)

Our major clients represent some of their industries' most prominent blue-chip organisations and provide a strong reference point to attract new clients and are critical to their nation's infrastructure



Synergistic growth opportunities within our Major Customers

Our core focus is growing our service offerings with all our customers. The Top 10 customers demonstrate our whitespace opportunity to cross sell and upsell across our end-to-end Asset Management solution portfolio.

	Tenure	 AM People	 AM Process	 AM Systems	 AM Data	COSOL IP Solutions
Customer 1 (Defence)	5 Years			✓	✓	✓
Customer 2 (Mining)	> 5 Years	✓	✓			
Customer 3 (Mining)	> 5 Years			✓	✓	✓
Customer 4 (Water Utility)	> 5 Years	✓		✓		
Customer 5 (Mining)	1 Year			✓	✓	✓
Customer 6 (Energy Utility)	> 5 Years			✓	✓	
Customer 7 (Water Utility)	1 Year			✓		✓
Customer 8 (Mining)	> 5 Years	✓	✓			
Customer 9 (Mining)	> 5 Years			✓	✓	✓
Customer 10 (Infrastructure)	2 Years			✓	✓	✓

FY24 Focus

The outlook for FY24 is positive as we capitalise on the opportunities and the growth platforms that have been created during FY23 with a key focus on four major growth pillars

1. Focus on annuity revenue and AMaaS opportunities



Continue to focus on annuity revenue streams driven by our proprietary software and solution set. Particular focus on:

- **Asset Management as a Service (AMaaS)** – providing remote Asset Management capability for companies to optimise Asset Management at a scalable price.
 - **EAMaaS Platform (EAMaaS)** - providing an integrated end to end platform to drive sustainable asset management practices
 - **Propriety IP Suite:**
 - **OnPlan** - a SaaS solution to streamline and digitize the works management process enabling the mobile asset management worker.
 - **RPCConnect®** to unlock value in SAP to S/4 Hanna
 - Transformation projects
-

2. Maintain growth momentum in North America



Continue to drive revenue synergies across territories with a focus on growing North America by exploiting our unique position in the Asset Management market. With a focus on:

- Delivering EAMaaS
 - Expanding our footprint of RPCConnect® with customers to power Data Migration projects.
 - Launching international EAM Process capability and establishing ourselves as a thought leader to drive synergy opportunities.
-

3. Synergy benefits



COSOL will continue to integrate its corporate services providing a unified global operating model to support future growth by enabling organic scale and allowing rapid integration of existing (AssetOn) and future acquisitions to deliver synergies faster.

4. Acquisitions



Delivering on COSOL's strategic plan to grow both through acquisition and organic growth, our acquisition strategy will continue to be disciplined and focused on earnings accretive opportunities, regional expansion, new capability and adding to our proprietary software and proprietary suite.

FY23 Pro Forma Financial Performance

The combined pro forma FY23 results create a strong platform for growth in FY24 with organic growth targets above 10%, AssetOn earnout targets and growth of OnPlan ARR driving improved EBITDA and margins



Key Financial Metrics

A\$m	COSOL Audited	AssetOn Group Pro Forma ¹	Pro Forma
Revenue	75.1	28.3	103.4
EBITDA	11.6	3.8	15.4
EBITDA %	15.5%	13.5%	14.9%
EBIT	11.1	2.7	13.8
EBIT %	14.8%	9.7%	13.4%

¹ AssetOn Group reflects the consolidation with COSOL Limited and \$1m amortisation of intangibles created as part of the transaction.

Commentary

- \$103.4 million pro forma revenue reflects a doubling of COSOL FY22 revenue
- Growth in OnPlan recurring revenue base in FY24 (\$2.4 million) to reduce EBITDA margin dilution
- AssetOn FY24 growth underpinned by earnout payments:

	EBITDA	Earnout Payment
Min. Target	\$3.9 million	\$3.5 million
Midpoint	\$4.3 million	\$5.0 million
Cap	\$4.6 million	\$6.0 million

- \$1 million amortisation is included in AssetOn Group pro forma EBIT related to the preliminary purchase price allocation of \$5 million to amortising intangibles as part of the Acquisition



Business Overview

COSOL Strategy

Utilising COSOL's proprietary software, solutions, industry expertise and end-to-end asset management capabilities, COSOL will deliver operational and cost efficiencies to deliver an optimal outcome for our customers.

COSOL's Asset Management as a Service (AMaaS) enables asset intensive organisations to outsource their asset management operations and achieve a consumption-based maintenance solution and optimisation across the people, process, systems and data elements of asset management.

Our mission is to help our customers achieve zero waste in their operations and supply chains using COSOL's creative leadership and passion for asset management innovation.



COSOL's Value Proposition

COSOL has positioned itself in the Asset Management market for long-term, sustainable growth



Created a unique offering and strong operating platform globally in a market that is experiencing significant growth trends.



A proven Board and management team with a track record of delivering profitable growth and increasing Enterprise Value.



Entrenched blue-chip customer relationships in nationally critical infrastructure sectors.



Deeply connected into customer operations, delivering major efficiencies, material savings and eliminating waste.



Proprietary software and systems provide technology led give ability to position positively against competition and maintain high margins.



Significant contract pipeline in Australia and North America and ambitious growth agenda organically and through acquisition to deliver continued growth in FY23 and beyond.

The History and Evolution of COSOL

COSOL has been executing on its clearly defined strategy of growing organically at double digits and securing earnings accretive acquisitions that expand its service offering, proprietary I.P and geographical reach



Our Team and Investors Share a Proven Track Record in the Sector

COSOL Board and Management (including ex-vendors still working in the business) are aligned to shareholders interests and between them hold approximately 56% of the issued shares

COSOL's Board of Directors have broad skills and a proven track record in growing IT and digital businesses and returning exceptional value to investors.



Geoffrey Lewis – Chairman

Founder of ASG Group Ltd (ASG) an IT services company which listed on the ASX in 2003. ASG was acquired by the Nomura Research Institute for approx. \$350m in December 2016.



Ben Buckley – Managing Director

Has held senior roles including CEO, COO, Head of Strategic Projects and Marketing Director for major companies such as Foxtel, Nike, FFA, and the AFL.



Stephen Johnston – Non-Executive Director

Non-Executive Director of ASG from 2003 – 2010, and 2013 – 2016. Founder of DSL Packaging Pty Ltd (DSL). DSL was acquired by Schutz GmBh in December 2011 for \$120m.



Gerald Strautins – Independent Non-Executive Director

Head of Strategy and M&A for ASG from 2010 to 2017. Completed over \$500m in M&A transactions during time at ASG.



Grant Pestell – Independent Non-Executive Director

Founding Director of Law firm, Murcia Pestell Hillard in Perth, W.A. Non-Executive Director of ASG from 2014 to 2016.

COSOL's Management Team and ex vendors have extensive industry experience with "Blue Chip" Australian and Global companies, coupled with a broad set of commercial and management skills.



Scott McGowan – Chief Executive Officer

Has held senior Executive roles in the I.T. industry and related industries including Wipro Technologies and IBM and was one of the original owners of COSOL Australia.



Anthony Stokes – Chief Financial Officer

An experienced senior finance executive with over 10 years with Virgin Australia Group. Previous role was as GM, Financial Planning and Analysis and prior to that Anthony worked at KPMG across transaction services, capital markets and restructuring.



Matt Glasner – Chief Operating Officer

A seasoned business leader with 20 years of successful transformation and leadership experience. Previous roles include Chief Commercial Officer for Global ASX listed Integrated Research, MD APAC for First Advantage and MD ANZ Experian Marketing Services.



Annette Henry – Executive General Manager

Annette was CEO of Clarita Solutions and joined the Leadership Team post earnout period after COSOL acquired the company. Prior to that Annette has an extensive background and history having created her own companies and worked with global leading partners.

What is Asset Management (AM)

Asset Management (AM) is a systematic approach to optimising the entire lifecycle of an organisation's physical assets, from initial acquisition, maintenance, utilisation and eventual disposal.



What is Asset Management (AM) - Asset Management focuses on managing tangible or physical assets. Our goal is to optimise the performance and lifecycle of these assets, while minimizing maintenance and repair costs, reducing downtime, and maximizing the return on investment, whilst eliminating waste in their operations contributing to a sustainable future.



AM – People Through operational resourcing and tailored coaching and development programs, we help ensure the right people with the right skills are in place to optimise your organisation's assets.



AM – Process We help embed industry best practice processes and automation across asset-intensive organisations to replace inefficient practices and enable continuous improvement.



AM Systems We integrate best-of-breed technologies and automations to support business processes, create efficient workforces, optimise asset performance and enable predictive maintenance.



AM – Data Putting data at the heart of an organisations to connect physical assets with their digital representations and enable fact-based and forward-looking decision making.



... ultimately unlocking asset potential

Our Services and Solutions

COSOL provides advice, operational expertise and business optimisation outcomes to deliver clients a complete end-to-end Asset Management solution

Delivering Asset Management as a Service

Asset Mgmt. Segment	Advise	Operate	Optimise	COSOL Proprietary IP	Capabilities
AM Data	Data Quality	Data Management	Data Driven Decisions Support	COSOL RPCConnect®	Advisory, Data Quality Assessments, Data Migrations, Legacy Data Management, Process Improvement, Advanced Analytics, Automation, Artificial Intelligence
AM System	System Specialists	Managed Services	EAMaaS	EAMaaS (IBM) EAMaaS (Hitachi) (formerly Evergreen & Copernicus)	Advisory, Strategy Technology Review and Planning, Technology Blueprinting, Implementations, Upgrades, ITC Benchmarking, Managed Support Services including AM and non-AM Application Management Services, Desktop, Datacentre, Telecommunication and Cloud Management Services
AM Process	Data Process Specialists	Continuous Improvement	Automate	COSOL Workstream Manager	Advisory, Business Improvement & Optimisation, Data Driven Business Improvement
AM People	Consulting	Outsource	Change & Learning	AMLA	Advisory, Asset Management Learning Academy, Learning Portal, Change Management, Training, Learning and Development Services, Outsourcing Management, Workstream Manager

Systems Partners
















Our Signature Solutions & Proprietary Software

Proprietary digital solutions drive growth opportunities



Asset Management as a Service (AMaaS)

The complete outsourced solution utilising COSOL's end-to-end AMaaS solution and services. Enables clients to manage risk, the lifecycle performance of assets and all associated costs in one solution.



Asset Information Ecosystem Roadmaps

Charts a journey of maturity-building initiatives to help clients achieve their asset management objectives across people, process, systems and data.



EAM as a Service (EAMaaS)

With EAMaaS, access your EAM software through a web browser and mobile client while we take care of the security, backups, availability and performance.



Application Managed Support

Optimise system performance with timely and knowledgeable technical support services available when your people and organisation need it most.



EAM/ERP Market Assessment

Enables an informed business decision about suitability of best-of-breed EAM or ERP systems with our unbiased independent assessment and report that will save time, risk and costs.



RPOConnect

A flexible solution for measuring data quality, migrating data from disparate systems and vaulting legacy data that strengthens digital capabilities and migrates future risks and costs.



Work Stream Manager

An App to review and reassess asset management process and execution maturity. Benchmark against standards and targets to aid continuous process improvement.



Asset Management Learning

Develops the capabilities and knowledge of our clients people to achieve sustainable asset performance with training tailored to organisation's objectives.



Data Quality Assessment

Understand legacy data and gain clear insights into what's required to cleanse and migrate data to reduce the risk and cost associated with data migration projects.



**THANK
YOU**