



COSOL

**An Introduction and
Half Year Results FY'21**

Euroz Hartleys Annual Conference – March 2021

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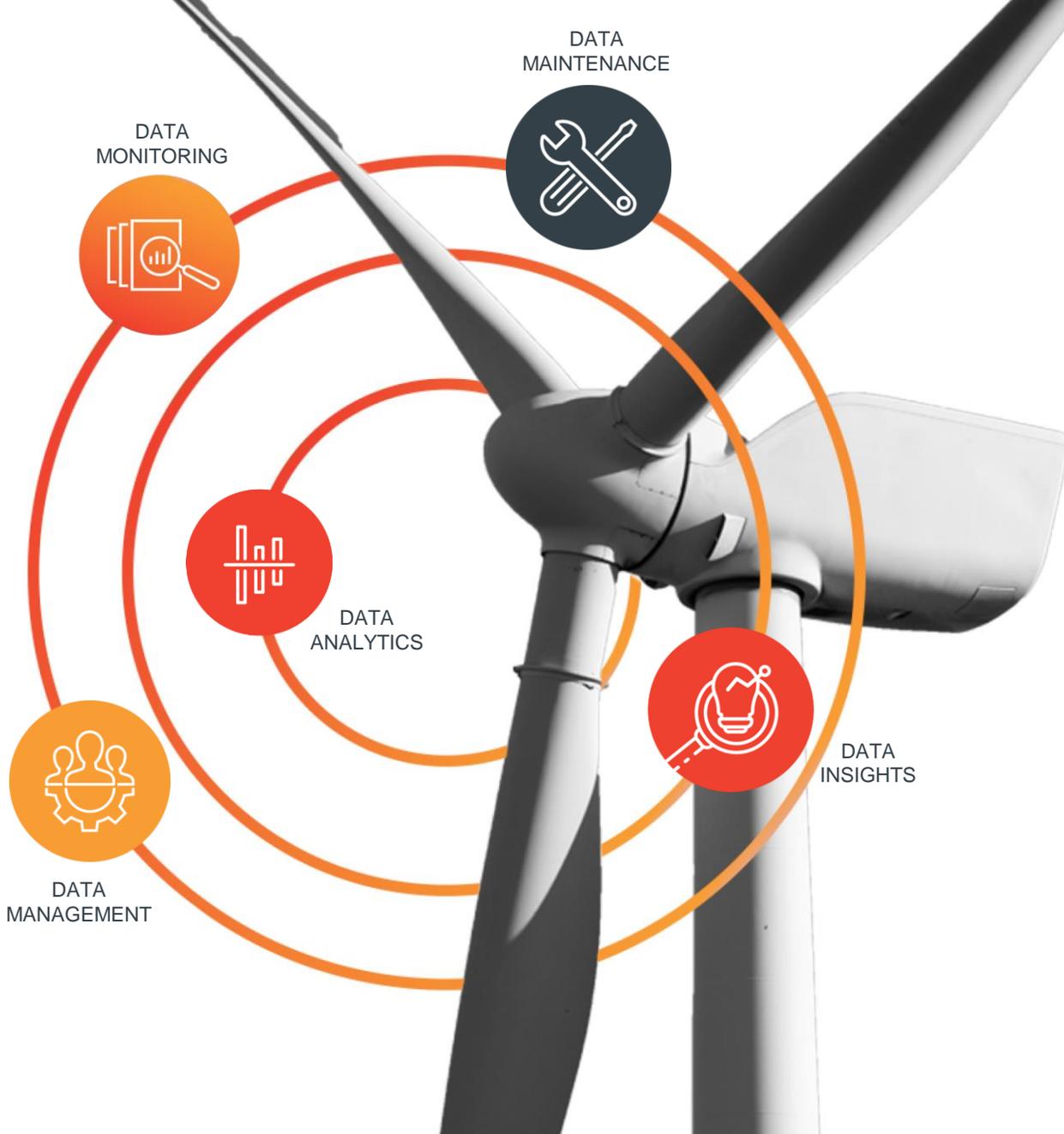
All currency amounts in this presentation are in Australian dollars unless otherwise stated. "FY" refers to the full year to 30 June. Amounts in this document have been rounded and any differences between this document and COSOL's financial statements are due to rounding.

AUTHORISATION

This presentation is dated 11 March 2021, and was authorised for release by the Board of COSOL.

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Company Overview

COSOL is a global provider of proprietary digital solutions to asset intensive industries. We drive quantifiable business improvements through the enhanced use of data and data analytics.

People 134
Clients 68
Share Price \$0.64
Market Cap \$84M

Locations:
Australia Brisbane
North America Denver

As at 8 March 2021



Our Board

The COSOL Limited Board of Directors have a strong cross section of skills and a proven track record in growing IT and digital businesses and returning value to shareholders and stakeholders.



Geoffrey Lewis
Non-Executive 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. Geoff was Managing Director & CEO of ASG from 1996 – 2019.



Stephen Johnston
Non-Executive Director

Founder and major shareholder of DSL Packaging Pty Ltd (DSL) a privately-owned industrial packaging company. DSL was acquired by Schutz GmbH in December 2011 for \$120m. Non-Executive Director of ASG from 2003 – 2010, and 2013 – 2016.



Gerald Strautins
Independent
Non-Executive Director

Senior Executive (Strategy and M&A) for ASG from 2010 to 2017. Extensive executive, M&A, consulting, program and business management experience. Completed over \$500m in M&A transactions



Grant Pestell LLB
Independent
Non-Executive Director

Founding Director of Law firm, Murcia Pestell Hillard. Recognised by Lawyer Monthly magazine as one of the global 250 leading lawyers in 2014. Non-Executive Director of ASG from 2014 to 2016.

Our Management Team

The COSOL Management Team have extensive industry experience coupled with a broad set of commercial and management skills with several leading domestic and international companies.



Ben Buckley
Managing Director,
COSOL Limited

Ben has over 30 years of commercial management and director experience and has held senior roles including CEO, COO and Marketing Director roles with major companies in Australia and internationally.



Scott McGowan
Chief Executive Officer,
COSOL Australia

Scott has held executive roles in global companies including Head of Natural Resources for Wipro Technologies and Associate Partner Business Analytics and Optimisation for IBM.



Max Rogers
Chief Executive Officer,
AddOns Inc.

Founder of AddOns Inc., and veteran entrepreneur and leader with a track record of growing successful businesses.



Andrew McVinish
Chief Financial Officer,
COSOL Limited

Andrew has over 20 years experience in advising businesses on financial management, compliance and strategy. Andrew was formerly an Associate Partner in Business Advisory at Findex.

Our Story

Whilst COSOL Limited was born on the ASX in January 2020, its operating entities have been established leaders in their field for over 20 years.

COSOL Australia was established as a business focused on asset intensive industries including energy, utilities, defence, mining & mineral processing with a focus on Enterprise Asset Management software platforms and specialising in data management to drive business improvements.

2000

COSOL Limited listed on the Australian Securities Exchange after raising \$12million. Successfully acquired COSOL Australia Pty Ltd on 16 January 2020.

January 2020

Successfully acquired AddOns Inc on 15 October 2020. AddOns is a Denver Colorado USA based managed services IT and professional services organisation with a portfolio of propriety digital IP used to support 85% of the North American installed based of ABB Ellipse Asset Management clients. It has been in operation for 20 years.

October 2020

December 2019

COSOL Limited formed.

August 2020

Exceeded the financial performance forecast in its IPO prospectus and was above the profit guidance.

Our Market

Our point of view on digital transformation

- We believe that digital transformation is now well underway, and every Board is, and should be, worried about how to become a truly digital enterprise.
- For organisations to succeed, Data must be treated as a mission critical Asset; Enterprise Data Asset Management (EDAM) is the single biggest success factor in a digital transformation journey, and most organisations are ill prepared due to many islands of disconnected data that is of unknown and/or poor quality.
- Ultimately, Enterprise Data is the fact base that keeps your customers, your employees and your value chain partners connected and informed to deliver to your customer expectations and to achieve your financial goals.
- Strong Enterprise Data foundations will be required to enable adoption of digital solutions including advanced analytics, robotic process automation, machine learning and artificial intelligence which are the next frontiers to productivity and market competitiveness.
- There will be the haves and the have nots, the winners and the losers – if you are not investing in Enterprise Data Asset Management to feed your Digital Hub/Digital Operations Centre, then you are not investing in your future.

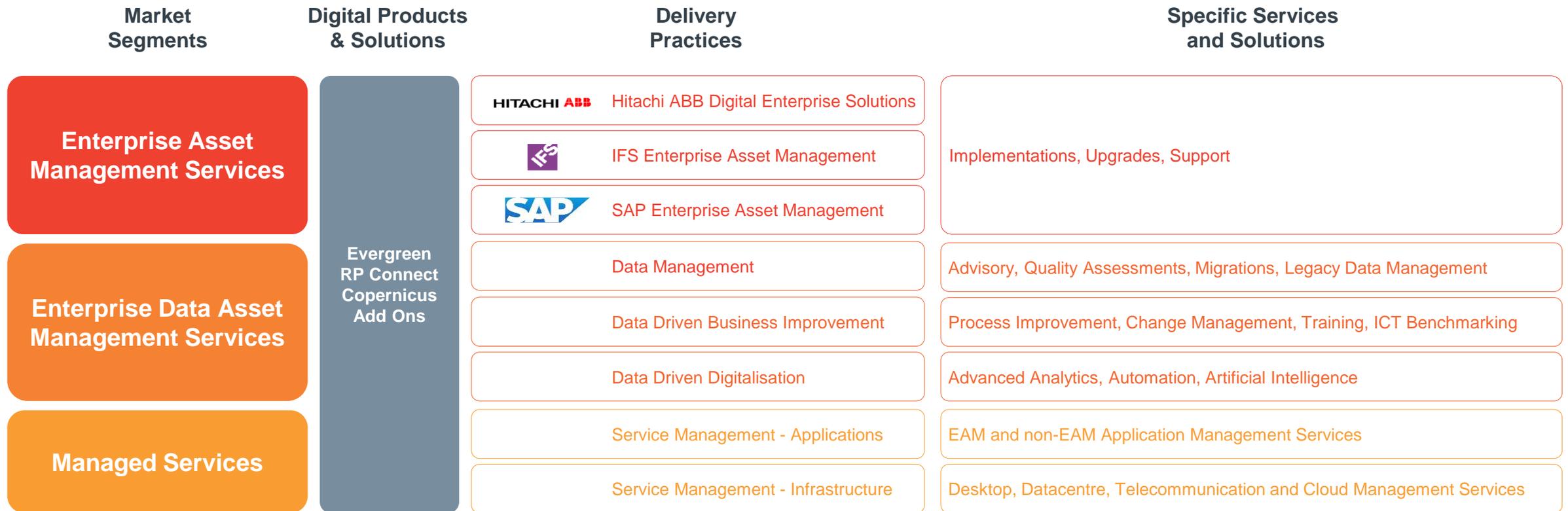
The addressable market is large and growing significantly

- The global EAM market stood at USD 5.5 billion in 2019 and is expected to grow at a compound annual growth rate CAGR of 17% during the period 2020 – 2030, with its market size predicted to reach USD 25.9 billion. Key drivers underpinning the predicted growth include:
 - The strong focus on the best utilisation of assets,
 - Growing need to reduce maintenance and procurement expenses,
 - Digitalisation in industries resulting in increased market competitiveness,
 - The increasing preference globally for cloud-based/Software as a Service (SaaS) solutions, and
 - Growing internet penetration through the Internet of Things (IOT)
- Historically the North American EAM market has been dominant. Major factors for this have been regulatory requirements, a strong presence of EAM vendors, and the investment by private & public organisations in the better management and exploitation of their asset base.
- However, the Asia-Pacific (APAC) region is forecast to be the fastest growing geographic market. The key drivers for this growth, particularly in an Australian context, are the fact that large business operations and utilities are asset intensive and that organisations are adopting, and continuing to refine, their use of EAM solutions.

Global EAM market
is predicted to reach
\$25.9B
USD by 2030

Our Services and Solutions

COSOL is the largest Ellipse ABB enterprise software managed service provider in Asia Pacific and North America and in addition, maintains networks, relationships and capabilities with industry-recognised solution providers such as SAP, IFS, Microsoft and major System Integrators such as IBM, Accenture, DXC, Deloitte and EY.





Our Clients

COSOL works with some of the world's leading companies in their sectors

Asia Pacific

GLENCORE



North America

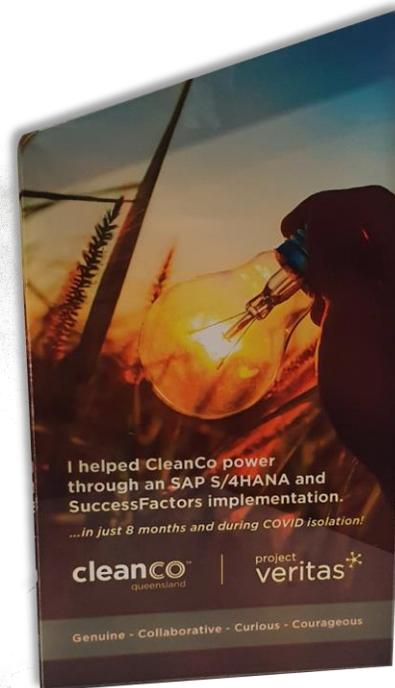


GLENCORE Canada



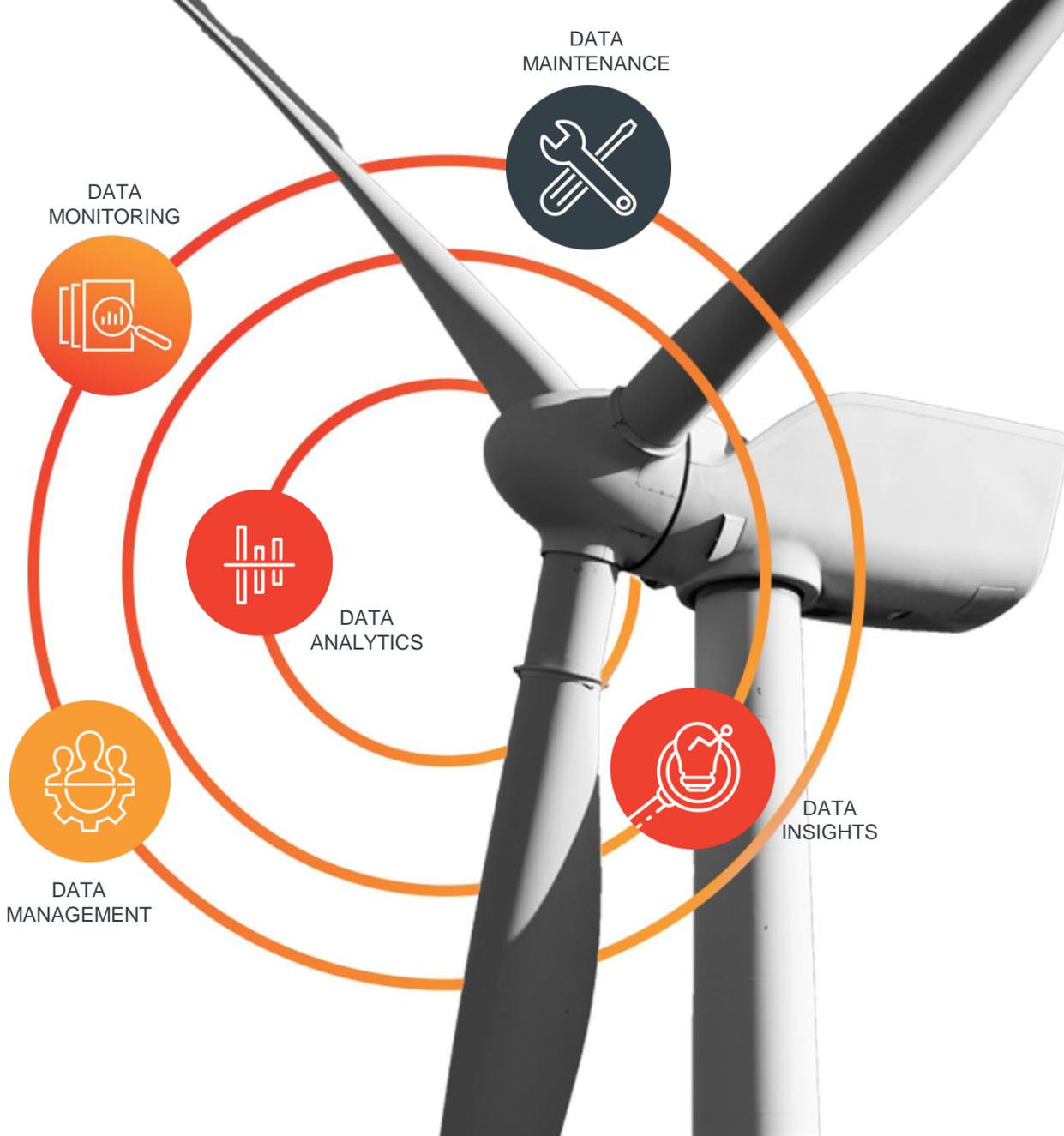
Our Promise to Customers – an example

COSOL delivered an award-winning data migration project for CleanCo, Queensland’s clean energy provider, utilising its Proprietary Digital Solution RPConnect® and proprietary services and proving our capability to deliver SAP to S4 data migration, unlocking significant market potential.



"We trusted COSOL to get this unusually complex project delivered, and have been consistently pleased throughout to see you continue to deliver every step of the way. I am certain that CleanCo's journey to migrate our data from Stanwell and CS Energy would have been more stressful without COSOL."

Graham Yerbury
General Manager
– Performance, Risk & Finance



COSOL Limited

Half Year FY'21 Financial Results

COSOL Limited Half Year Financial Highlights

We are achieving on our strategy - 1st half results have shown strong growth across all operating entities and have exceeded guidance provided at last year's AGM and in its first 12 months will pay a fully franked interim dividend of 0.5 cents per share.

Group Results

Revenue = \$15.6m
EBIT = \$2.56m
NPAT = \$1.85m
Dividend = 0.5 cents
/share fully franked

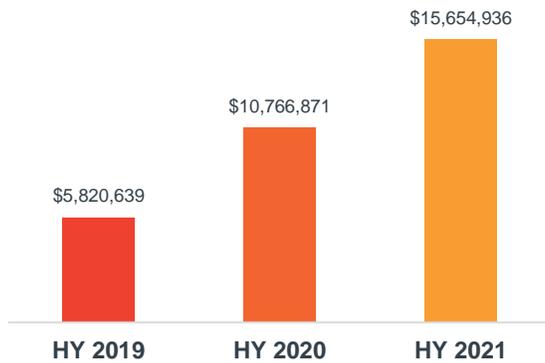
- ✓ Revenue growth 45.4% on pcp
- ✓ EBIT growth of 32% on pcp
- ✓ NPAT growth of 36% on pcp
- ✓ Group EBIT margin = 16%
- ✓ Strong Balance Sheet - Cash balance of \$9.3m and net debt of \$960k*
- ✓ Basic EPS = 1.43 cents per share

* Comprises: Cash \$9.36m, less Client Advances \$3.65m, less Term Loans \$2.75m, less Deferred consideration (cash component) \$3.92m = Net Debt \$960k

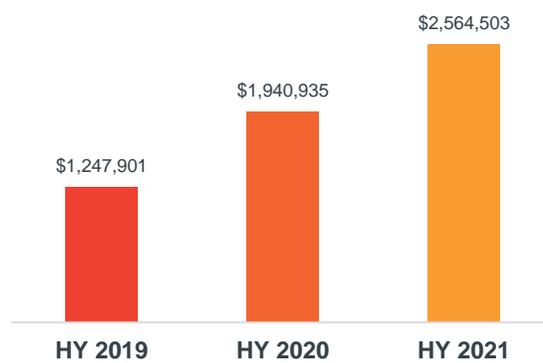
H1 FY'21 Financial Performance

Strong financial performance continued in H1 FY'21 – N.B. H1FY'20 Group results are proforma

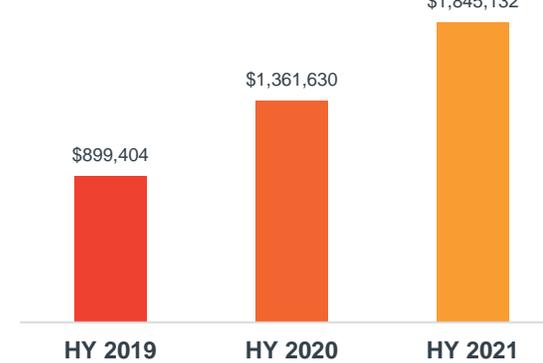
Group Revenue Growth of 45.4%



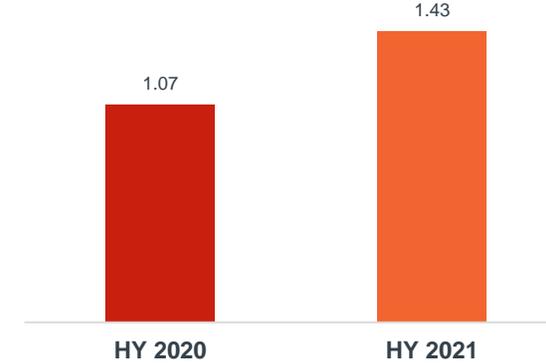
Earnings Before Interest & Tax up 32%



Net Profit After Tax up 36%



Earnings Per Share (cps)



H1 FY'21 Financial Performance

| | Proforma Change % | \$000's |
|-----------------------------|----------------------|-----------------|
| Total Revenue | Up 45.4% | \$15,655 |
| Gross Profit | | \$5,698 |
| Gross Profit Margin | | 36.4% |
| EBITDA | | \$2,834 |
| EBITDA Margin | | 18.1% |
| Depreciation & Amortisation | | -\$269 |
| EBIT | Up 32.0% | \$2,565 |
| EBIT Margin | | 16.4% |
| Finance costs | | -\$47 |
| NPBT | Up 30.6% | \$2,518 |
| Tax | | -\$673 |
| NPAT | Up 35.3% | \$1,845 |
| EPS (cents) | | 1.43 |
| Dividend (cents) | | 0.50 |

- Exceeded Revenue guidance of \$15.25m- \$15.5m
- AddOns consolidated from 1 Sept 20 with Revenue \$3m & EBIT \$544k
- Expensed costs associated with AddOns acquisition - \$60k
- Software product development costs of \$600K expensed
- Share based payment expense of \$218K
- The group was not eligible for Jobkeeper, received no financial assistance from this scheme
- EBIT margin of 16.4% compared with guidance of 16%
- Declared interim fully franked dividend

Organic Growth – COSOL Australia

Cosol Australia continues to operate strongly and has achieved Revenue and EBIT growth above guidance targets

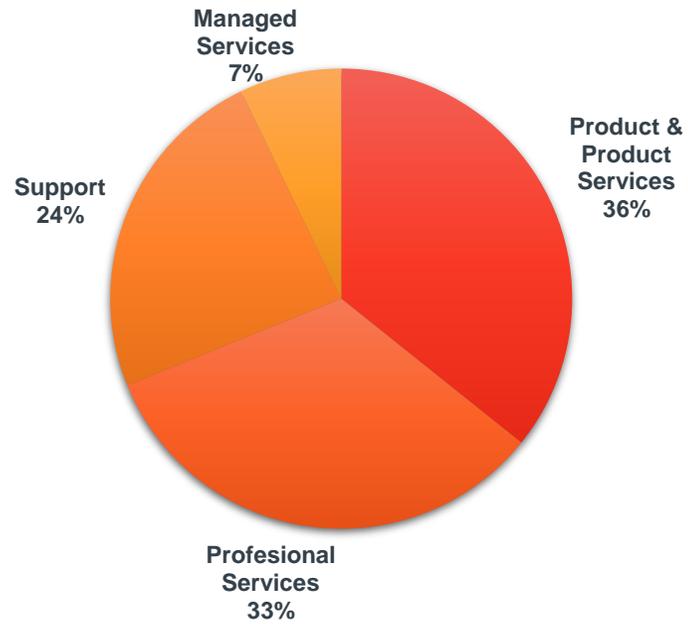
| | <u>H1 FY20</u> | <u>H1 FY21</u> | <u>Growth %</u> |
|---------------------------|----------------|----------------|-----------------|
| Revenue | 10,398,623 | 12,666,756 | 22% |
| Cost of sales | 6,923,515 | 8,458,052 | |
| Gross Profit | 3,843,356 | 4,208,704 | |
| Overhead Expenses | 1,409,103 | 1,607,329 | |
| Other Income / (Expenses) | (53,927) | (29,092) | |
| EBIT | 2,012,078 | 2,572,283 | 28% |
| EBIT % | 19.3% | 20.3% | |

- COSOL Aust Organic Revenue growth of 22% exceeded guidance of 20% on pcp
- COSOL Aust EBIT growth of 28% which also exceeded guidance of 25% on pcp

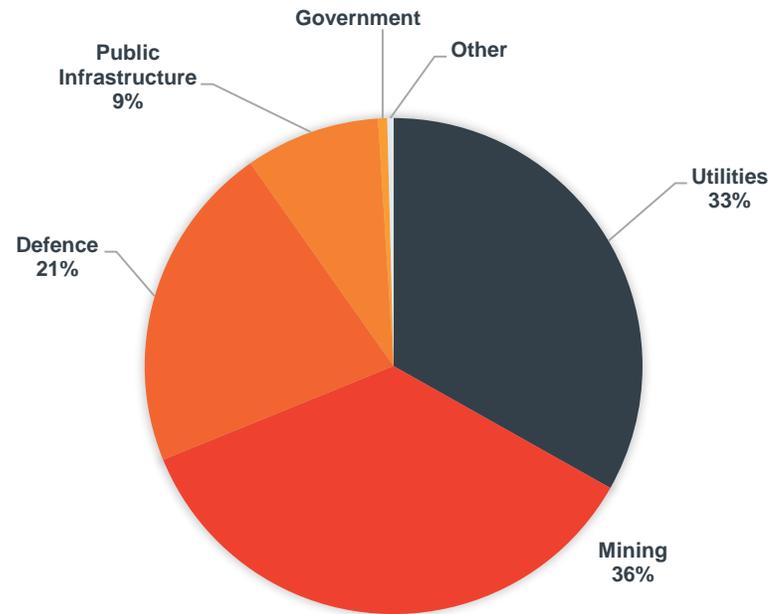


Revenue Segments

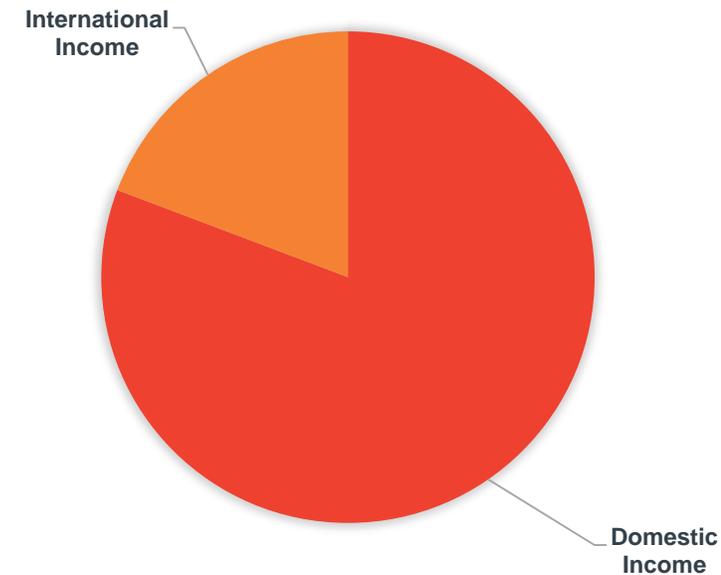
Revenue by Service



Revenue by Sector



Revenue by Geography



NB: Only includes AddOns Inc. for 4 months

1st Half Operating Highlights

During the six months to December, we expanded our IP and proprietary digital solutions which enabled major client wins and through the acquisition of AddOns Inc in October created a platform for expansion and deployment into North America.

Expanded and proven digital solutions

- RPCConnect® ECC SAP to S4 enabled (& proven)
- RPCConnect® - certified on the “protected cloud” – can now operate in highly secure environments
- Evergreen – Allows more efficient management of your Ellipse EAM upgrade
- Copernicus - out of the box preconfigured EAM mining solution

Major Client Wins during H1

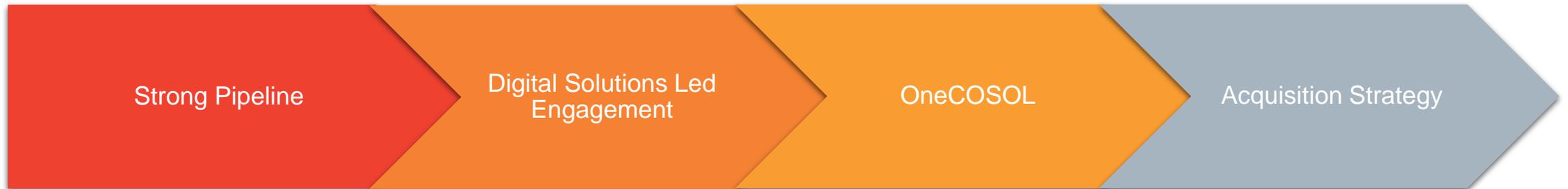
- Department of Defence
- Urban Utilities
- Ok Tedi Mining
- CleanCo

AddOns acquisition provides inorganic growth platform

- With AddOns COSOL is now the largest HAPG Enterprise Software service provider globally
- “Follow the sun” capability for Clients globally
- AddOns acquisition provides a platform for future acquisitions in North America
- Established Global business solution capability

Looking ahead

We are optimistic about H2 FY'21 and confident we have an extended platform to operate from and a more expansive product offering to take to the market. H2 Revenue growth is expected to be 23-25% above H1 FY'21.



- High % contracted and committed revenue
- Growth opportunities coming from within existing client base
- Significant cross sell/up-sell opportunities have been identified through the Addons acquisition
- Established global strategic sales team to drive large scale deal outcomes across multiple territories

- Product sales and proprietary digital solutions contributing to highly profitable engagements
- RPCConnect® continues to position COSOL as a sole source provider
- Evergreen provides COSOL with a competitive advantage in the EAM Managed Services market
- Copernicus enables COSOL an first mover advantage by lowering the barrier to entry

- OneCOSOL brand launch March 2021
- Centralised solution & business development function enabling cross sell / upsell across geographies
- Centralised shared service capability driving cost synergies

- Clear targets identified that are synergistic businesses which focus on:
 - IP and product
 - Industry relevance
 - Sector Prominence
 - Geography
 - Capability
 - Earnings accretive



COSOL

Thankyou