



COSOL

Clarita Solutions acquisition –
Investor Briefing

9th November 2021

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AUTHORISATION

This presentation is dated 9 November 2021, and was authorised for release by the Board of COSOL.

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Clarita Solutions – Key Headlines



- Clarita is a specialist in the leading Enterprise Asset Management (EAM) platform, IBM Maximo – in Gartner’s magic quadrant
- Clarita EAMaaS (Enterprise Asset Management as a service) is the only SaaS offering that combines Asset Management, Drawing management, Mobility and GIS (Geographical Information Systems) – a unique proprietary digital solution
- Clarita’s headquarters is in Brisbane, Australia and has offices in Melbourne and New Zealand. It has 35 FTE’s based in multiple locations
- Clarita has demonstrated strong revenue growth over last 3 years – CAGR in excess of 30%, with **FY’21 actual audited revenue of \$10.2m**
- Returns **21% EBIT** on revenue – **FY’21 audited EBIT of \$2.251m**
- **39 active customers** across Australia and New Zealand – Sector focus - Utilities, Government, Logistics, Transportation, Construction, Mining
- Clarita has a series of **Strategic Partnerships** – Gold Partner with **IBM** and ANZ exclusive distribution for **EZMax Mobile**
- Market potential - 3,956 companies worldwide using IBM Maximo, with a large market presence in the US (53%)

Clarita's fit with COSOL's acquisition strategy



Acquisition criteria	Clarita's strategic alignment to criteria
✓ Complementary digital IP and services	<ul style="list-style-type: none">• Extends Enterprise Data Asset Management Platform – adds IBM Maximo to Hitachi Ellipse and SAP• Adds proprietary digital SaaS solution – EAMaaS• Adds GIS capability to COSOL' data suite
✓ Industry sectors	<ul style="list-style-type: none">• Focus is on heavy asset industries to improve asset performance and achieve business optimisation• Top 10 customers are Utilities, Government, Transportation, Logistics
✓ Proven business model	<ul style="list-style-type: none">• Positive recent growth rate – CAGR in excess of 30% - \$10.2m in revenue in FY'21• Proven EBIT delivery - 20% on revenue
✓ Revenue synergies	<ul style="list-style-type: none">• Provides immediate access to larger addressable market through IBM Maximo channel• Opens new distribution channels for existing COSOL IP and services• Opens up additional opportunity into North America market• Upsell opportunity for GIS services into existing COSOL client base
✓ Geographies	<ul style="list-style-type: none">• Business headquartered in Queensland which will allow ease of integration – particularly Business Development• Open's up New Zealand as a new territory
✓ Deal structure that is aligned to shareholders	<ul style="list-style-type: none">• 40% of upfront consideration taken in equity• 25% of total potential consideration taken in earnout after achieving EBIT hurdles• Vendors and key employees must remain with business to achieve earnout and remain significant shareholders in COSOL
✓ Valuation	<ul style="list-style-type: none">• Upfront multiple – 5.3 x FY'21 EBIT - consistent with previous acquisition multiples• Purchase price will contribute to FY'22 results and is accretive to earnings
✓ Proven management	<ul style="list-style-type: none">• CEO, Head of BDM and Vendors have decades of proven leadership in the sector and positive reputations within the industry

COSOL Limited - Strategic Growth Map



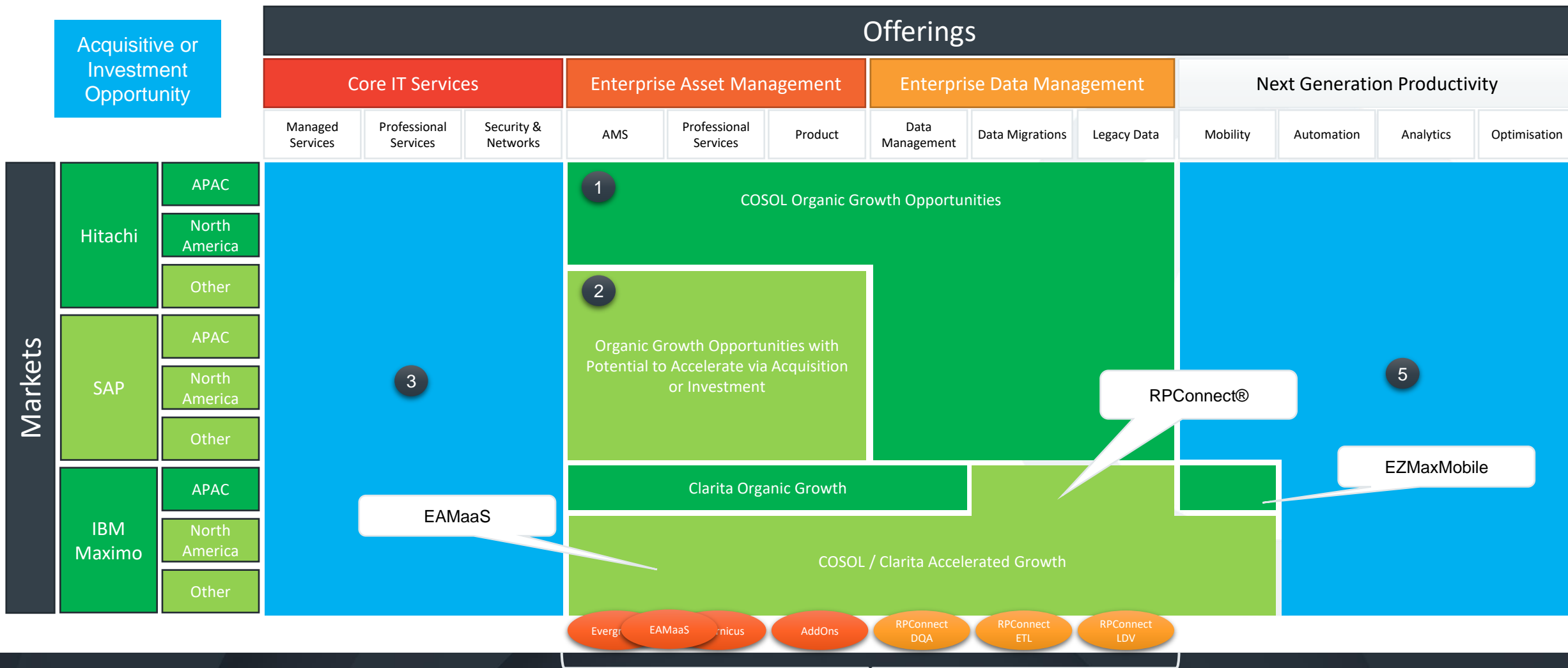
The heatmap below was previously developed to demonstrate where the existing organic growth opportunities will be complimented by acquisition or investment to accelerate growth



COSOL Limited - Strategic Growth Map



Digital IP Led Growth overlay for the COSOL / Clarita Business



Current & Future Leading EAM Platform

IBM Maximo complements COSOL's Hitachi & SAP Solutions



Gartner Magic Quadrant

ENTERPRISE ASSET MANAGEMENT SOFTWARE, OCTOBER 2019

- Report ranks IBM highest for completeness of vision (market understanding, strategy, industry, innovation and geographic strategy)
- IBM Maximo has been a leader in the Gartner EAM MQ since Gartner started doing the report in 1996

Annual EAM Market Research Study

MARKET ANALYSIS AND FORECAST THROUGH 2021

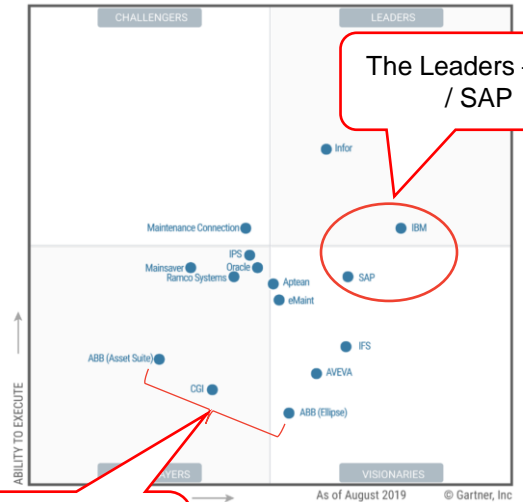
- IBM Maximo has been the market leader in the last 11 ARC Global Studies published
- IBM Maximo is the leader in 21 of 34 categories



Worldwide SaaS & Cloud-Enabled EAM Applications

VENDOR ASSESSMENT 2020-2021

- IBM's product strategy for Maximo is most closely aligned with what customers will require in three to five years
- IBM Maximo's new suite approach offers streamlined packaging, provisioning, and licensing as well as the flexibility to start at any point in the asset life cycle and expand.



The Future - Lumada is the combined ABB products



Clarita Solutions – Key Customers

Clarita’s customers are generally part of the heavy asset industry sectors that COSOL operates in and extends COSOL’s ability to drive revenue synergies through a extended range of Clients.





Clarita Solutions – headline deal terms

- Business will be acquired effective from September 1 2021
- Upfront consideration cash = \$7,000,000
- Upfront COSOL shares = 7,951,123
- Earnout consideration capped at \$3,750,000 - no more than 50% in either of FY'22 and FY'23
- Earnout consideration is subject to reaching EBIT growth performance hurdles
- Earnout consideration can be paid in cash and or equity
- Funding for acquisition will be from existing COSOL cash reserves and bank debt
- Normal conditions precedent exist and we expect to close within next two weeks





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Thank you