



COSOL Limited FY'22

ANNUAL RESULTS PRESENTATION



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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 24 August 2022 and was authorised for release by the Board of COSOL.

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Company Overview

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

COSOL's proprietary software and digital solutions serve critical asset intensive industries including natural resources, energy and water utilities, public infrastructure and defence. We drive quantifiable business improvements by connecting people, process, systems and data.

Since the IPO in January 2020, COSOL has established a track record of consistent revenue and profit growth, strong operating cashflows and a demonstrated ability to grow organically and acquisitively while maintaining strong investor returns.



People
296



Clients
78



Share Price*
\$0.65



Market Cap*
\$96m



Locations
• Brisbane
• Perth
• Denver

FY22 Financial Highlights



COSOL delivered strong revenue and EBIT growth while protecting margins through a period of acquisition and investment in capability.

Dividend
1.92c

Revenue
\$48.3M

EBIT
\$8.1M

NPAT
\$5.5M

Group revenue
\$48.3M

Group EBIT
\$8.1M

Group
EBIT Margin

NPAT
\$5.5M

EPS
4.01 cents



- Strong Balance Sheet* - cash balance of \$6.7M and net debt of \$12.1M
- Final dividend 1.0 cents
- Full year dividend up 28% year on year

+44%
year on year

+40%
year on year

16.7%

+38%
year on year

+31%
year on year

Operating Highlights



COSOL delivered strong revenue and earnings growth despite global headwinds, delivered strategically important client wins and invested in the organisation to drive future growth.

This positions COSOL for strong growth for H2 FY22 and FY23.



Strategic partnerships:

COSOL and **IBM** continued to grow our strong partnership in the Australian market through the expansion of COSOL's engagement within the Defence project and growth within the IBM Maximo market.

COSOL and **Dassault Systèmes Quintiq (Quintiq)** signed a systems integrator alliance agreement to help clients model, plan and optimise end to end business operations.

COSOL and **Hitachi Energy** signed an Agreement for "first right of refusal" for Ellipse clients for Professional services which presented an opportunity to position other COSOL IP and services through this channel.



IP Sales:

COSOL continued to grow its unique digital solutions and IP through the acquisition of Clarita Solutions adding additional multi-year recurring revenue. In addition, COSOL has also secured a number of new licence sales of our proprietary RPConnect® software to customers such as **De Beers Group** and **Anglo American Platinum**.



Disciplined execution of accretive acquisitions:

COSOL successfully identified and executed two acquisitions during the FY22 financial year.

COSOL acquired **Clarita Solutions** (Clarita), a Brisbane-based specialist in the Enterprise Asset Management sector with a complementary set of services, solutions and customers with a particular specialty with IBM's Enterprise Asset Management software platform, Maximo.

COSOL acquired **Work Management Solutions** (WMS)*, a Perth-based business that provides business advisory and technical consulting services to the resources and utilities sectors. Adding WMS's advisory services and associated proprietary technology platforms.

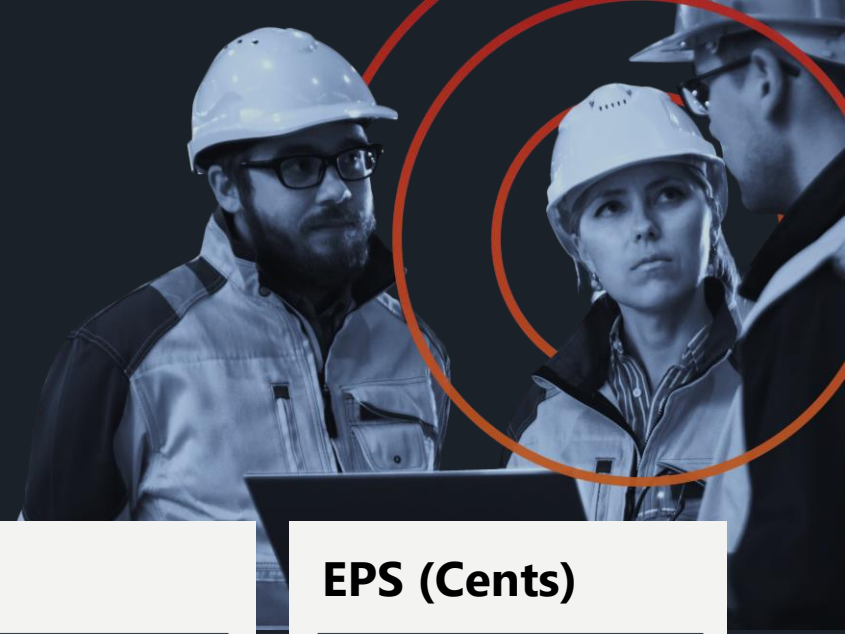


Major deal renewals/extensions:

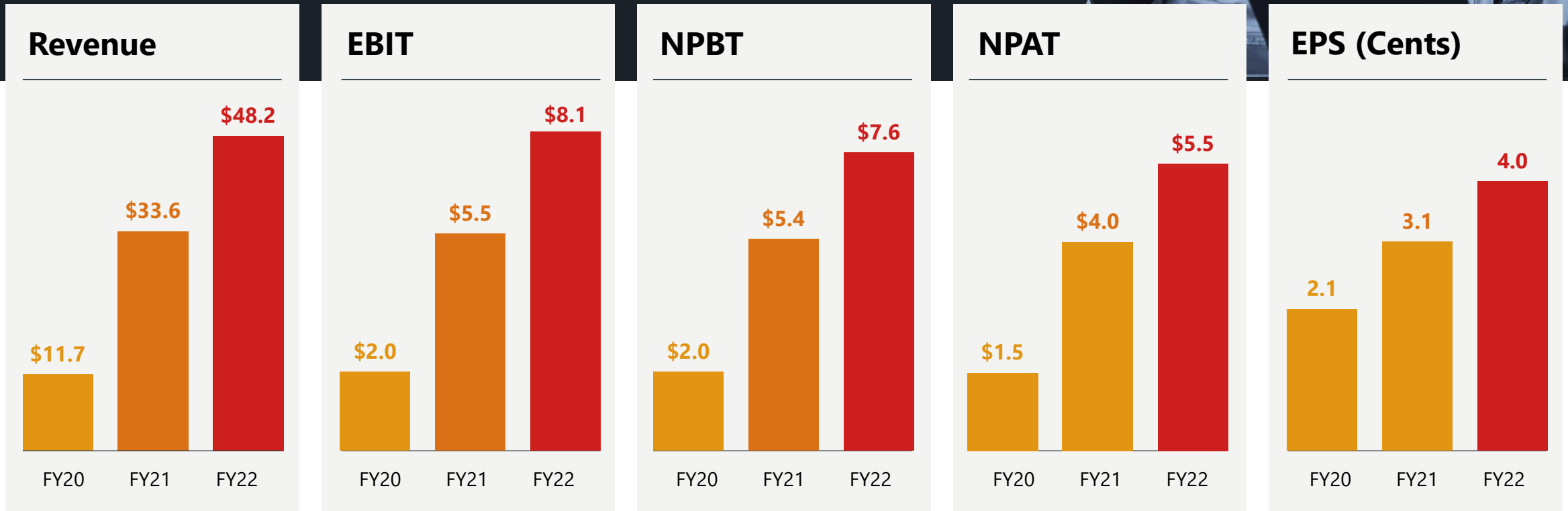
COSOL has successfully renewed the application and system support services for a further 12 months with **Ok Tedi Mining, Urban Utilities, Energy Queensland** and **Glencore Copper**.

Delivering on our strategy

Organic Growth, plus strategic acquisitions accretive to earnings, that deliver revenue synergies and IP

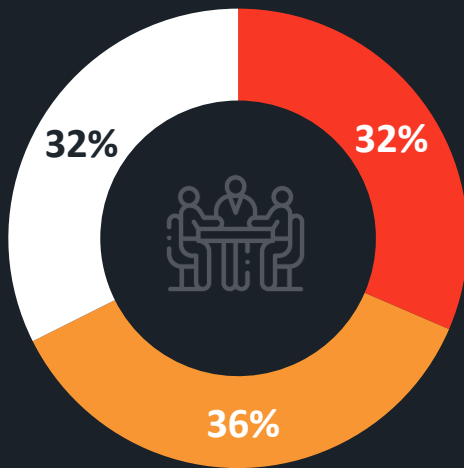


(\$m)



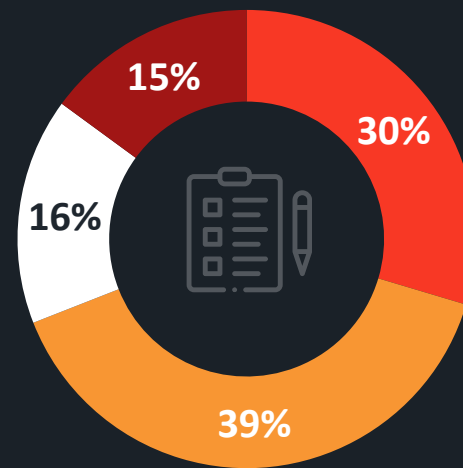
Revenue by Segment

Revenue by Service



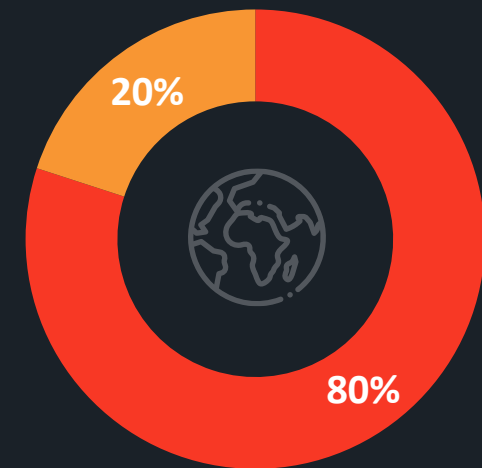
Product & Product Services Professional Services Support & Managed Services

Revenue by Sector



Mining Defence Public Infrastructure Utilities

Revenue by Geography



COSOL APAC COSOL North America*

FY22 Financials

Earnings and Key Metrics



Notes

(\$'000)	FY22	FY21	YoY	YoY %
Revenue	48,242	33,586	14,656	43.6%
EBIT	8,052	5,522	2,529	45.8%
EBIT %	16.7%	16.4%	0.3 points	
NPBT	7,627	5,393	2,234	41.4%
NPAT	5,533	3,998	1,534	38.4%
Cash conversion	112.8%	54.7%	58.1 points	
Net debt*	12,101	3,189	8,913	
Current Ratio*	1.47	1.31	0.16	12.2%
EPS cents	4.01	3.06	0.95	30.9%
Dividend (cents)	1.92	1.50	0.42	28.0%

- Strong revenue growth of 43.6% driven by a combination of organic growth
- EBIT growth of 45.8% to \$8.1 million with EBIT Margin of 16.7% consistent with prior periods
- NPAT growth of 38.4% includes the impact increase to 30% tax rate
- Strong cash conversion with focus on working capital management continuing
- Net debt growth to fund both Clarita and WMS acquisitions
- New banking facility reducing amortization for FY23 and improving our current ratio
- EPS growth of 30.9% reflects the disciplined growth and acquisition approach

FY22 Financials

Cash Flow and Balance Sheet



Notes

Cashflow (\$'000)	FY22	FY 21	YoY	YoY %
Receipts from customers	50,630	32,612	18,018	55.2%
Payment to suppliers	(41,110)	(29,246)	(20,333)	40.6%
Cash from from operations excl. Tax and other cash flows	9,520	3,366	6,154	182.9%
Cash conversion	112.8%	54.7%	58.1 points	

Balance Sheet (\$'000)	FY22 PF*	FY21	YoY
Cash	6,678	4,184	2,493
Other current assets	17,340	8,666	8,673
Current Assets	24,018	12,851	11,167
Goodwill	44,855	24,271	20,585
Other non current assets	2,020	1,171	849
Total Assets	70,893	38,293	32,601
Trade payables, deferred revenue and other current liabilities	14,291	5,448	8,843
Bank Loans	2,000	1,000	1,000
Deferred consideration	-	3,327	(3,327)
Current liabilities	16,291	9,776	6,515
Bank Loans (NC)	12,904	1,250	11,654
Deferred consideration (NC)	3,875	1,796	2,079
Other liabilities	346	295	52
Total Liabilities	33,417	13,116	20,300
Net Assets	37,477	25,176	12,300

- Significant increase in positive cash flow from operations due to strong focus on working capital management
- Strong liquidity position of \$10m made up of \$6.7m cash and \$3.3m undrawn multi option facility.
- In addition, Westpac facility has undrawn capacity of c. \$1.3m for acquisition funding
- Net assets increased by close to 50% reflecting the growth in the business
- Pro forma balance sheet reflects the payment of deferred consideration for Clarita and Addons funded from the upsized Westpac facility

Our Market Sector



Enterprise asset management systems (EAM) effectively maintain and manage all of your organization's assets and equipment throughout their entire lifecycles—from procurement to retirement. In addition, EAM systems help your teams manage your supply chain, spare parts inventory, and shipment arrival dates to keep production and maintenance schedules running as efficiently as possible.



EAM typically refers not to just one software, but to a strategy that combines multiple software, systems, and solutions that work together to provide a comprehensive approach to asset management.



Enterprise asset management (EAM) is a strategy that combines tools, sensors, software, and services used to optimize assets throughout their lifecycles. The goal of EAM is to maximize asset performance, availability, and longevity. Effective EAM increases asset capacity and uptime while reducing expenses.



As the industrial internet of things (IIoT) grows, organizations should include connected reliability principles in their enterprise asset management plans. Connected data, systems, and teams allow for advanced analytics, increased communication, and expansion of IIoT initiatives.



When teams make data-driven maintenance and management decisions, they improve asset efficiency and performance. This transforms maintenance into a business value driver.

... ultimately unlocking asset potential



Industry growth projections:

- ✓ Enterprise Asset Management Market size exceeded USD 4.4 billion in 2021.
- ✓ Expected Annualised market growth of 10% from 2022 to 2027.
- ✓ Increasing demand for extending the life span of crucial enterprise assets with the aid of advanced technologies is driving the industry growth.
- ✓ Asset-intensive organizations are focusing on investing in cutting-edge EAM technologies to radically transform and improve their operational processes including predictive maintenance, AI-based telematics, and digital twins.
- ✓ EAM solutions help business owners or enterprises with uptime, inventory maintenance as well as strategic planning.

Our Services and Solutions

Our unique Asset Information Ecosystem

Enterprise Asset Mgmt. Segment	Advise	Operate	Optimise	COSOL Proprietary IP	Capabilities
EAM 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
EAM System	Systems Specialists	Managed Services	EAMaaS	COSOL Copernicus COSOL Evergreen EAMaaS	Advisory, Strategy Technology Review and Planning, Technology Blueprinting, Implementations, Upgrades, ITC Benchmarking, Managed Support Services including EAM and non-EAM Application Management Services, Desktop, Datacentre, Telecommunication and Cloud Management Services
EAM Process	Data Process Specialists	Continuous Improvement	Automate	Workstream Manager	Advisory, Business Improvement & Optimisation, Data Driven Business Improvement
EAM 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



IBM Maximo

HITACHI



EZMaxMobile



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COSOL's proprietary software and digital solutions serve critical asset intensive industries including natural resources, energy and water utilities, public infrastructure and defence. We drive quantifiable business improvements by connecting people, process, systems and data.

Our unique Asset Information Ecosystem utilises industry leading Enterprise Asset Management platforms, including SAP, IBM – Maximo, Hitachi-Ellipse integrated with specialised and proprietary software tools to deliver cost efficiencies and enhanced productivity for our Clients.

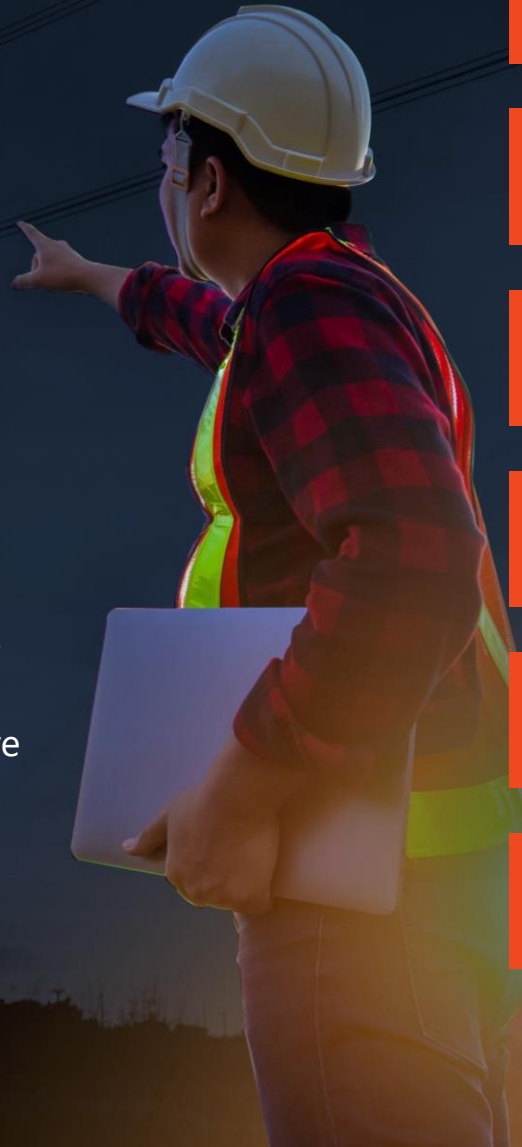


Our proprietary software and solutions

Proprietary digital solutions drive growth opportunities



The expansion of COSOL's proprietary software and digital solutions portfolio continues to drive growth opportunities. Valued by clients as IP which can maximise their enterprise software investments and streamline the delivery of complex digital and data projects, COSOL's proprietary digital solutions portfolio includes:



RPConnect®

Proven proprietary data management platform

Copernicus

Preconfigured EAM/ERP system for mining organisations

Evergreen

Proprietary subscription for Hitachi ellipse management

EAMaaS

Proprietary cloud-based EAM solution for IBM Maximo®

Workstream Manager

Web-based application enabling insight driven asset management optimisation


AMLA

(Asset Management Learning Academy)

Learning and development practice and online learning academy

Our Major Clients

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

 Natural Resources					
 Energy and Water					
 Infrastructure					
 Government and Defence					

Department of Defence
Vale Sudbury
BHP Billiton Ekati

Rio Tinto Diavik
Pan American Silver
Glencore?

Canada

United States

Newmont Mining
Rio Tinto Kennecott
Arch Resources
Hecla Mining
Hycroft Mining
Lighthouse Resources
NFTA
Cliffs
Tarc
Navajo Transitional Energy Co
Asarco Grupo Mexico
OCTA, Orange County CA
Valley Metro, Phoenix AZ
Long Beach Transit, CA
Ioneer
Intrepid Potash

COSOL North America
Denver, Colorado

Africa

De Beers Group
Lihir Gold Bonikro
Xstrata

South America

Anglo American
BHPB
C..Prodeco
Eco-Petrol
Xstrata
Compañía Minera Antamina
Minera San Cristobal

Kazakhstan

Cameco Corporation
Inkai JV

UAE

Xstrata

Mongolia

Ivanhoe Mines Oyu Tolgoi

PNG

Ok Tedi Mining
Barrick Porgera JV
Morobe Mining JV

Australia

ARTC
Queensland Government
Queensland Health
Department of Defence
Power & Water Corp
Aurizon
Pacific National
Downer
Parks Victoria
Unity Water
Snowy Hyrdro
SA Water

Transgrid
Stanwell Energy
Urban Utilities
Energy Australia
Brisbane City Council
CleanCo
PTA WA
Metro Trains Sydney
Melbourne Airport
Boeing
Cross River Rail
Geelong Port

WMS
Perth, WA

COSOL Australia
Clarita Solutions
Brisbane, Qld

New Zealand

Horizon Power
Mercury NZ Limited

Selected Client List

Our global reach

Client showcase

01

Department of Defence

SAP and data migration utilising COSOL's RPCConnect®

COSOL is engaged as the data migration sole provider in implementing the second phase of the Department of Defence SAP S/4 HANA implementation (Tranche 1B) through our partnership with IBM. COSOL is responsible for the full end-to-end data migration from the Department of Defence legacy systems to the new SAP S/4 Solution utilising its proven proprietary platform, RPCConnect® to extract, transform, load and reconcile data from multiple data source platforms, including Ellipse and SAP. COSOL has to date achieved all major data migration milestones for the project, including the completion of Trial Conversion data loads for the next phase of Tranche 1B being system integration testing commencement.



02

Arch Resources

Evergreen Ellipse

Arch Resources deployed COSOL's proprietary Evergreen subscription to upgrade their dated Hitachi Ellipse EAM and ERP solution and to ensure their systems would remain up to date with minimal disruption to business operations into the future. COSOL Evergreen removes common Ellipse migration roadblocks, such as large one-off upgrade costs, budget overages, and distraction and disruption from core business activities. In addition to the quality of the implementation and significant cost and efficiency benefits of such a comparably short run-up and seamless go-live, the COSOL Evergreen solution will continue to deliver ongoing cost savings and efficiencies for Arch Resources.

ARCH

Client showcase

03

Anglo American

AMLA – Asset Management Learning Academy

COSOL company, AMLA (or the Asset Management Learning Academy), delivered an innovative asset management e-learning program for Anglo American. The scope of works included the design, development and implementation of an Asset Tactics Development Training program. The course provided foundational information to employees regarding Asset Tactics development at Anglo American, in English, Spanish and Brazilian Portuguese. The finished product was rolled out to the workforce and later implemented as mandatory employee training. The exclusive AMLA proposition provides a solution to the education gap in the Asset Management workforce, supporting asset intensive businesses to skill their people with contextualised learning and development programs.



04

Fulton Hogan Egis O&M

IBM Maximo cloud-based EAM as a Service (EAMaaS)

Fulton Hogan Egis O&M (FHEOM) engaged Clarita Solutions to configure and integrate enterprise asset management software IBM Maximo EAMaaS as part of an asset information ecosystem. Clarita undertook the transition of data to support the delivery of maintenance schedules for the M5 East motorway. They configured IBM Maximo to best-practice standards and mapped datasets to meet WestConnex requirements. For the maintenance function, Clarita designed and built an integration between IBM Maximo and the Operations Manager and Control System (OMCS) to improve the visibility of asset performance data, drive maintenance schedules and enable the efficient raising of work orders for detected and predicted faults.



Our Focus for FY23



Establish COSOL as a global leader in Digital Asset Management



Transform the business to deliver the OneCOSOL integrated operating model



Execute our Proprietary IP plans to accelerate growth and build scale and enhanced margins



Diversify our capability and expand our market offering through accretive Acquisitions



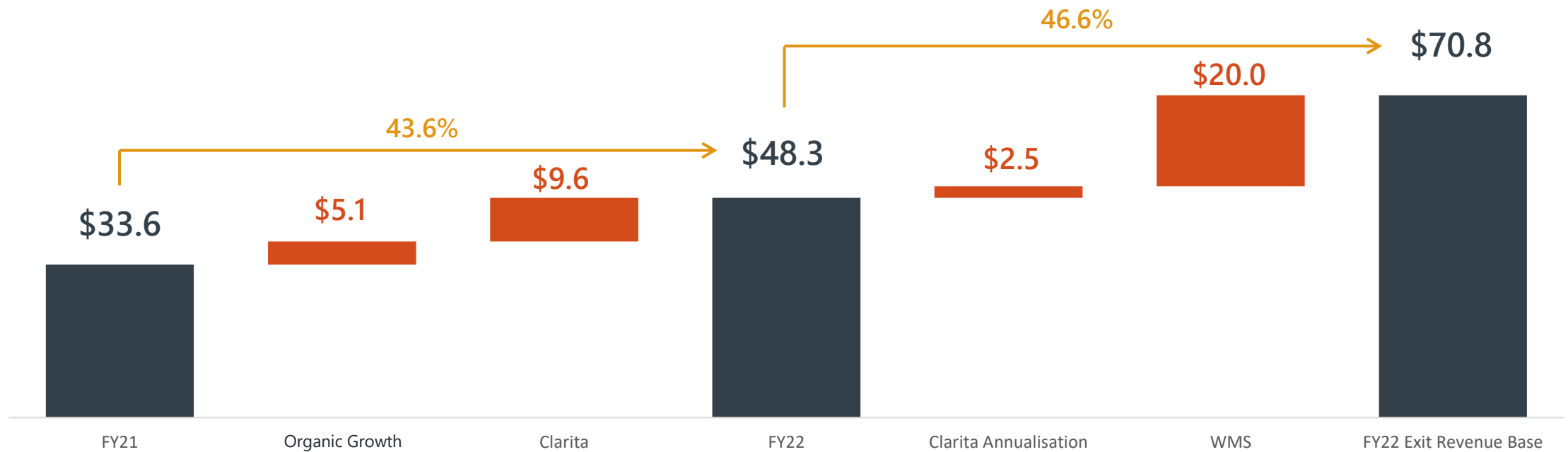
Drive synergistic and organic growth from our underlying operating business



Exit FY22 Revenue Trajectory

Before further organic growth and acquisitions

(\$m)



Appendix

Pro forma to Statutory reconciliation



Notes

Balance Sheet	Statutory 30 June 2022	WMS Acquisition ¹	Westpac Refinance ²	Deferred Consideration Payments ³	Pro forma 30 June 2022
Current Assets					
Cash	6.217	461			6.678
Trade and other receivables	8.296	3.463			11.759
Other current assets	4.956	625			5.581
Total Current assets	19.469	4.549			24.018
Non Current Assets					
Property, Plant and Equipment	251	-			251
Right of use Assets	255	-			255
Investments					
Goodwill	38.883	5.972			44.855
Other intangibles	874	-			874
Deferred Tax	639	-			639
Total Non Current Assets	40.903	5.972			46.876
Total Assets	60.372	10.521			70.893
Liabilities					
Current liabilities					
Trade and other payables	5.089	138			138
Bank Loans	3.304	'	(1.304)		2.000
Lease Liability	102	'			102
Deferred Consideration	2.151	'		(2.151)	-
Other current liabilities	7.246	1.716			8.962
Total current liabilities	17.892	1.854	(1.304)	(2.151)	16.291
Non current liabilities					
Bank Loans	5.782	3.668	1.304	2.151	12.904
Lease liabilities	189	-			-
Deferred Consideration	1.875	2.000			3.875
Deferred Tax	157	-			157
Other non current liabilities	-	-			-
Total non current liabilities	8.003	5.668	1.304	2.151	17.126
Total liabilities	25.895	7.521			33.417
Net assets	34.477	3.000			37.477
Equity					
Issued capital	26.132	3.000			29.132
Reserves	600				600
Retained Profits	7.745				7.745
Total Equity	34.477	3.000			37.477

1. WMS acquisition reflects the preliminary acquisition balance sheet. The final purchase price allocation is to be completed
2. Westpac refinanced the Bankwest facility on 3 August 2022 with an upsized facility of \$19.5m and reduced near term amortization. This provided funding capacity for WMS
3. Deferred consideration payments related to both Clarita (\$1.875m) and Addons (\$276,000) this is all deferred consideration payable to vendors in FY23



**THANK
YOU**