



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's 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



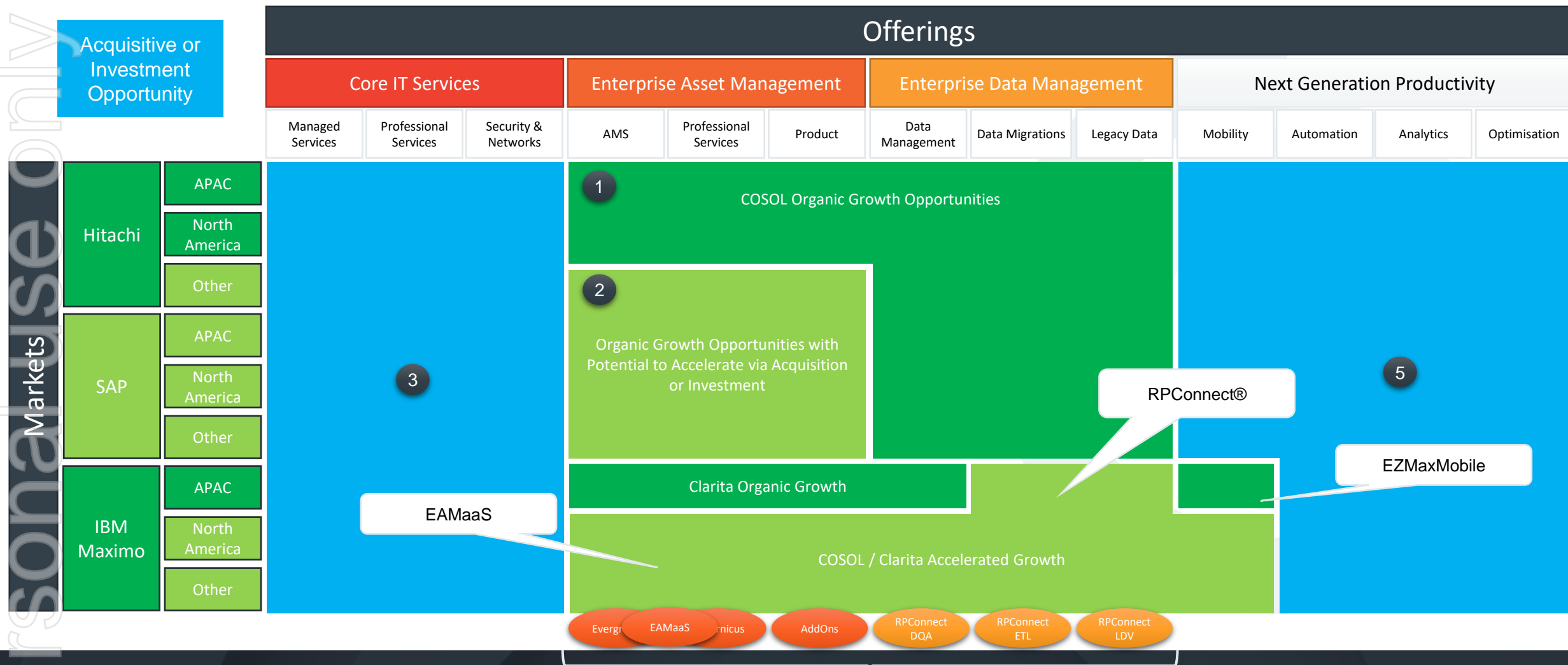
The heatmap below was previously developed to demonstrate where the existing organic growth opportunities will be complimented by acquisition or investment to accelerate growth



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

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

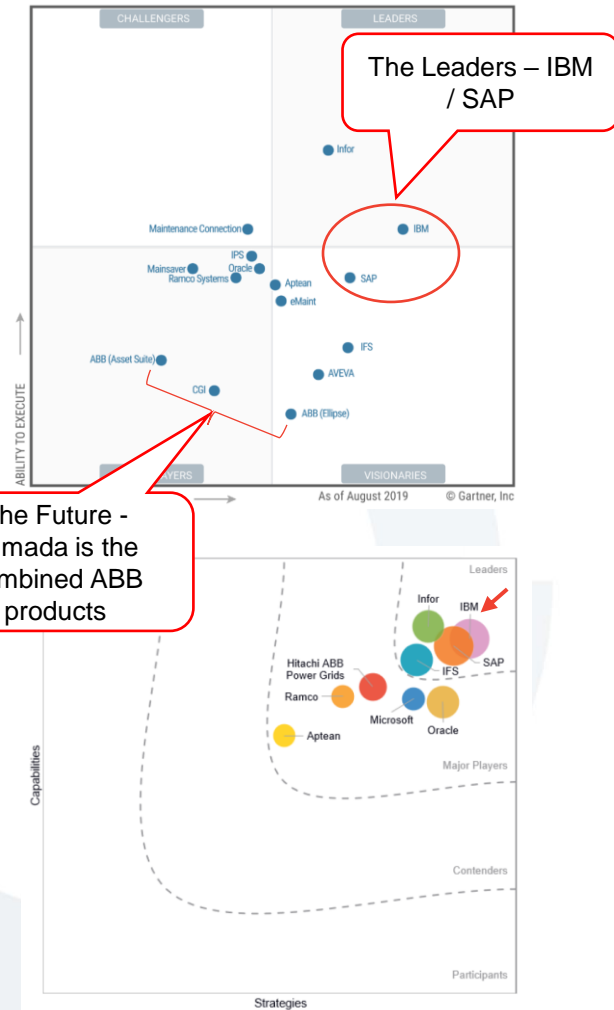
- IBM Maximo has been the market leader in the last 11 ARC Global Studies published
- IBM Maximo is the leader in 21 of 34 categories



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.



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