



# COSOL

## Acquisition of Toustone

4 December 2024



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This presentation is dated 4 December 2024 and was authorised for release by the Board of COSOL.

For more information, please contact:  
[ir@cosol.global](mailto:ir@cosol.global)

**COSOL Limited ABN 66 635 371 363**  
**490 Adelaide Street, Brisbane QLD 4000**

# Executive summary

Accretive acquisition funded by increased banking facilities, \$12m upfront with up to \$10.4m of deferred consideration payable in early CY26 and early CY27

## Toustone overview

- Toustone ([www.toustone.com](http://www.toustone.com)) is a data analytics, predictive analytics and decision intelligence company dedicated to solving complex data problems and providing accurate and reliable reporting.
- Developed proprietary data platforms that generate revenues across ARR software subscriptions, managed services contracts and consulting.
- Market leading position in the transport industry supporting several public transport operators in New South Wales and Victoria.

## Acquisition consideration

- COSOL to acquire 100% of Toustone Pty Ltd for an enterprise value of up to \$22.4 million, consisting of:
  - Upfront: \$12 million payable, comprising \$8 million cash and 4,531,038 COSOL shares (being \$4 million worth at a deemed issue price of \$0.8828 per share, being the 21-day VWAP prior to the acquisition agreement execution date);
  - Earnout: up to \$6.5 million, payable subject to normalised EBITDA hurdles being achieved in CY25 and CY26, with a maximum earnout payment for CY25 of \$3.75 million;
  - Outperformance: up to \$3.9 million, payable subject to normalised EBITDA and EBITDA margin hurdles being achieved in CY26;
  - COSOL may elect to satisfy a portion of earnout or outperformance consideration by way of issuing shares.
  - Maximum consideration payable of up to \$22.4m reflects a target multiple of 5.61 times CY26 EBITDA.
- Immediately high single-digit EPS<sup>1</sup> accretive. Anticipated contribution for FY25 is \$6.0m revenue at EBITDA margin of 20% before transaction costs. Completion is expected in first half of December 2024.
- Upfront funding to be sourced from expanded debt facilities. Earnout consideration, to the extent paid, will be funded from a combination of operating cash flow and available debt capacity, or a portion paid in scrip at COSOL's election.

## Strategic rationale

- Delivers key capability in Industrial Mathematics, Optimisation and Machine Learning to support COSOL's strategic vision of **Asset Management as a Service**.
- Expands COSOL's existing Asset Management IP ecosystem.
- Enhances COSOL's existing SaaS platform to expand subscription based annual recurring revenue base.

1. Earnings Per Share accretion illustrates the impact of the acquisition as though it had occurred on 1 July 2024 and excludes the impact of any synergies, transaction or implementation costs, and costs associated with undertaking the Acquisition.

# Toustone overview

Advanced analytics, predictive analytics, data reporting and visualisations



## Toustone

An Australian advanced and predictive analytics and decision intelligence company, passionate about solving complex data problems and providing accurate and reliable reporting.



### Target Customers: Large organisations with complex data

We enable Australian business leaders to discover their competitive edge by providing profound insights into their business through advanced and predictive analytics, enabling them to make confident, informed, and smart decisions across their organisation.



### Proprietary Data Platform built on cloud-native architecture

The platform delivers advanced analytics and predictive insights, generating ARR, managed services, and consulting revenues.

### Federated Data Platform & Industry Solutions

We integrate diverse data sources across operations, finance and 3<sup>rd</sup> party providers into a single source of truth.

Developed platforms for:



Transport



Enterprise



Sustainability

**A 10-year-old company**

Established by experienced **Data People**

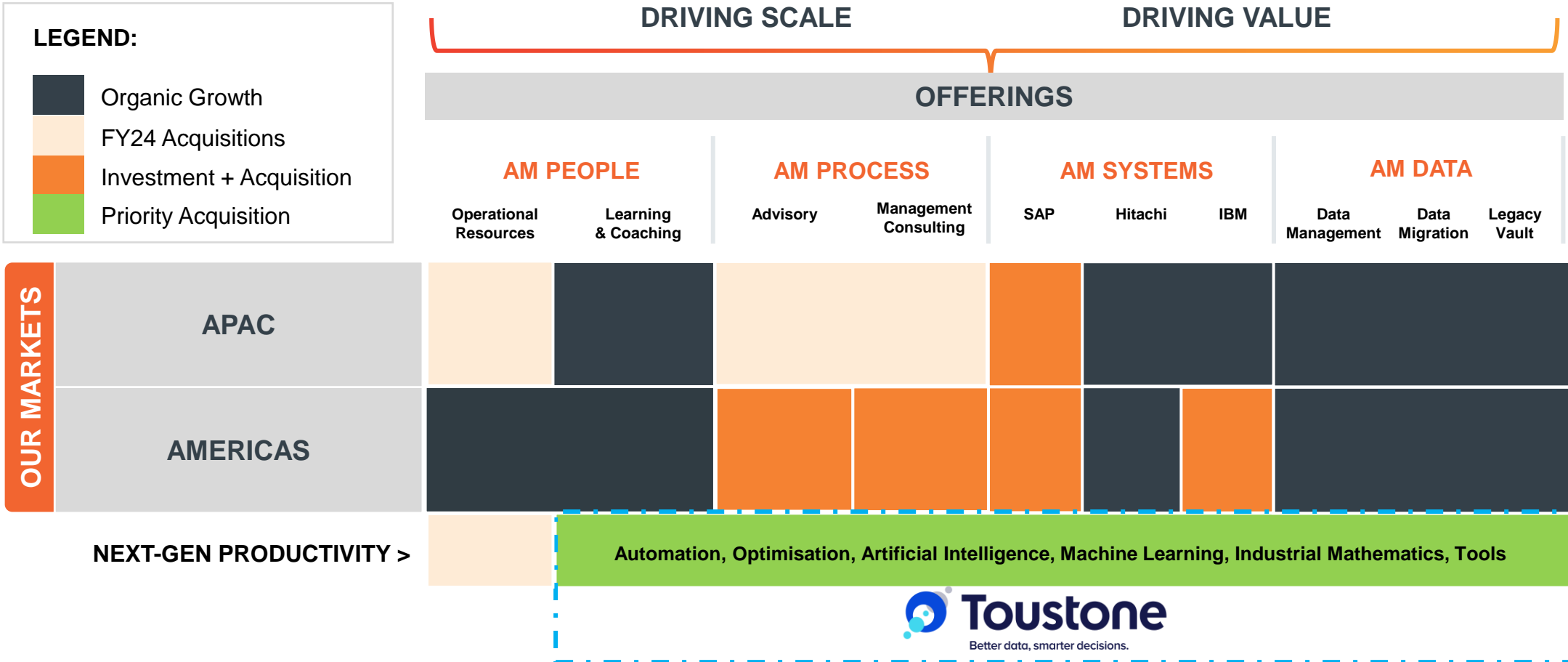
**SUPPORTING A NUMBER OF PUBLIC TRANSPORT OPERATORS IN NSW AND VICTORIA**

*Aligns with existing COSOL customer base in this sector.*

**ENTERPRISE SUITE CUSTOMERS INCLUDE A NUMBER OF LARGE AGRICULTURAL AND FOOD PROCESSING COMPANIES**

# Toustone deliveries key capabilities to our offerings

Delivers on our target focus of proprietary IP and recurring revenue streams that provide the greatest revenue synergies



# Toustone acquisition | strategic rationale

The acquisition of Toustone will further COSOL's strategic vision to become a global leader in delivering end to end technology enabled Asset Management services and solutions

- 1 Builds on COSOL's Core**
  - ✓ Delivers key capability of Industrial Mathematics, Optimisation and Machine Learning to support COSOL's strategic vision of **Asset Management as a Service**.
  - ✓ Accelerates our capability in the Transport and Infrastructure sectors.
- 2 ARR / Proprietary solutions**
  - ✓ Expands COSOL's existing Asset Management IP ecosystem, including integration opportunities with customers' EAM platform to enhance decision intelligence.
  - ✓ Enhances COSOL's existing SaaS platform to expand subscription based Annual Recurring Revenue base.
- 3 Strengthens customer base**
  - ✓ Deepens and expands on COSOL's blue chip transport chip customer base.
  - ✓ Provides growth capability for our other industry verticals including Energy, Natural Resources and Infrastructure where there is a combination of owner and service provider.
- 4 Digital and data capabilities**
  - ✓ Expands COSOL's data capability through advanced and predictive analytics, enabling customer to make confident, informed, and smart decisions.
  - ✓ Introduction of real-time IoT data capture capabilities to support clients' digital journeys.
- 5 Financials**
  - ✓ Acquisition expected to be high single-digit EPS accretive on a pro forma basis in FY25<sup>1</sup>.
  - ✓ Multi-year earn out to deliver further upside across by CY25 and CY26.

1. Earnings Per Share accretion illustrates the impact of the acquisition as though it had occurred on 1 July 2024 and excludes the impact of any synergies, transaction or implementation costs, and costs associated with undertaking the Acquisition.

# Toustone acquisition | Next-Gen productivity and data

Further strengthens COSOL's data offering by providing enhanced data capabilities across IoT and machine learning

## Data is a key enabler for the maturity of Asset Management

- ✓ Toustone Capabilities
- ✓ COSOL Capabilities



### Reactive

Fix it when it fails

### Preventative

Maintain based on a regular timed schedule

### Condition-based

Monitor assets and maintain based on the wear and tear

### Predictive

Predict when assets are likely to fail and maintain accordingly

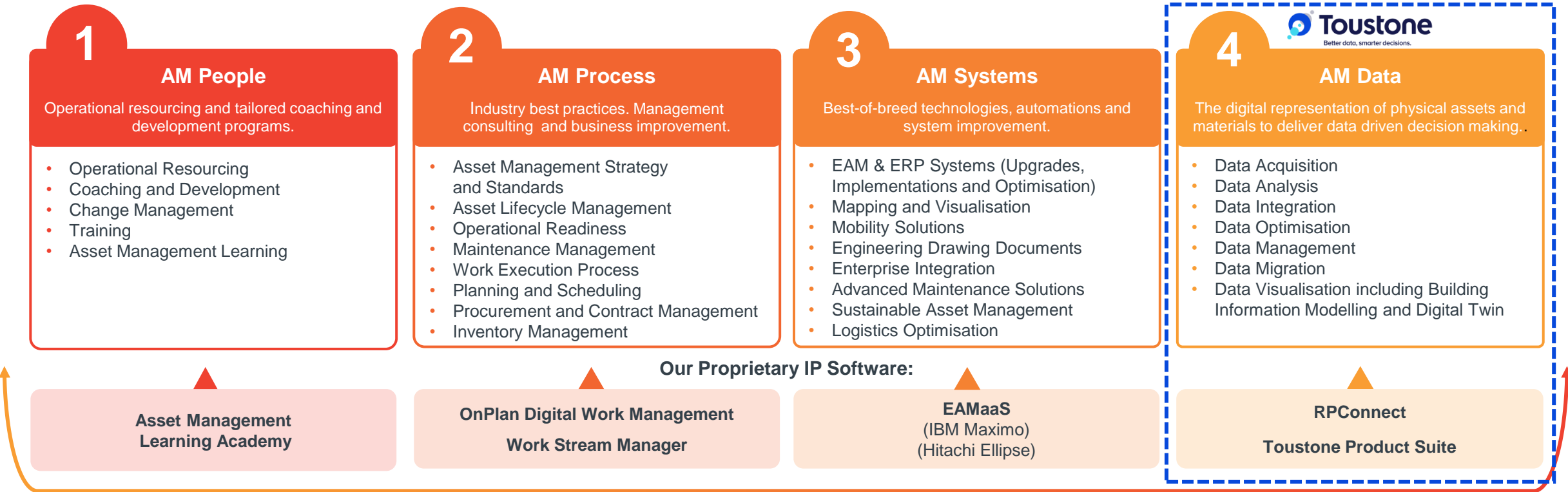
### Prescriptive

Prevent or mitigate issues through tech-enabled advanced problem solving



# COSOL's unique end-to-end Asset Management (AM) solutions

The combination of people, process, systems and data software and solution allows clients to accelerate their digital transformation journey to generate efficiencies from their physical assets



Our Asset Management as a Service (AMaaS) spans all areas of asset management supported by our Proprietary Software Solutions



# Toustone | customer case study

Showcasing Toustone's unique credentials in delivering value for its customers

Toustone manages one of the most complex transport data and analytics systems in Australia.

Customer Network Statistics  
**80 million+** Customer Journeys  
**2000+** Weekly Services  
21 Stations over 51.5 kms of Track



## Automated scenario-based messaging

*"If the train is delayed for 20 seconds, communicate X. If the train starts moving again, communicate Y"*

## Speedy Communication

The real-time data module processes **raw data** in

**<1.5**  
seconds



# COSOL Business Overview

# About us

Provider of end-to-end Asset Management solutions, enabled by our proprietary IP, supporting our clients to improve their return on invested capital

Assist our clients to optimise the performance of physical assets through a combination of **People, Process, Systems and Data** where we connect the physical asset with their digital representations.

With 400+ professionals across Australia and the USA.

**BEST IN CLASS:**

**IBM** Maximo



**Hitachi Energy**  
Ellipse® EAM

## Focus Client Sectors

Providing to large capital asset-intensive businesses across Australia and the USA.



**NATURAL RESOURCES**



**ENERGY & WATER**



**GOVERNMENT & DEFENCE**



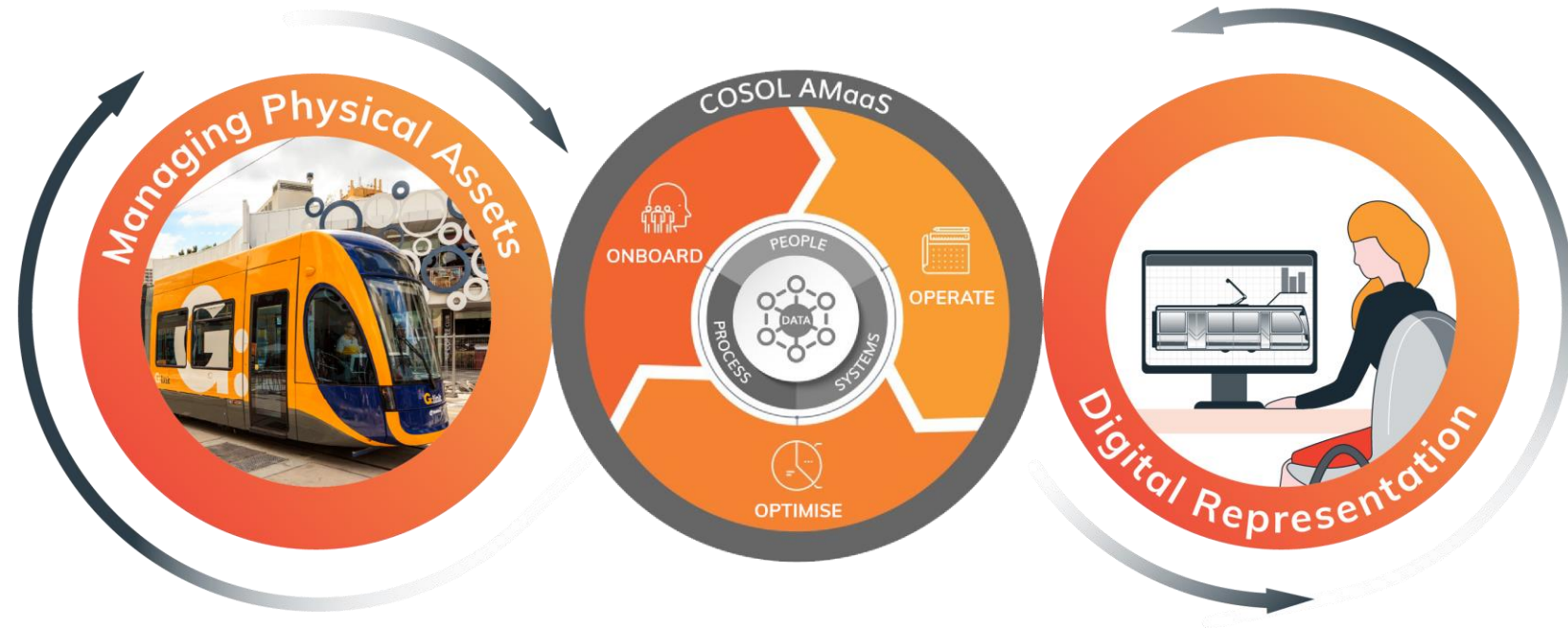
**TRANSPORT & INFRASTRUCTURE**

# Our strategic vision – Asset Management as a Service

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

## Optimising performance of physical assets

Effective Asset Management requires connecting physical assets with their digital representations to reduce cost, reduce risk and increase productivity.



# Proprietary software & solutions

COSOL's proprietary digital solutions drive growth opportunities

Toustone provides additional proprietary solutions delivered in a managed services structure



## 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.



## 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.



## 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.



## Application Managed Support

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



## Master Data as a Service

Outsource solution for master data requirements to help organisations achieve enhanced and healthy master data that boosts asset performance and drives business value.



## OnPlan

A software platform to help asset managers standardise and automate processes, maintain institutional knowledge, improve reliability, reduce downtime and work safely.



## 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.



## RPConnect

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.

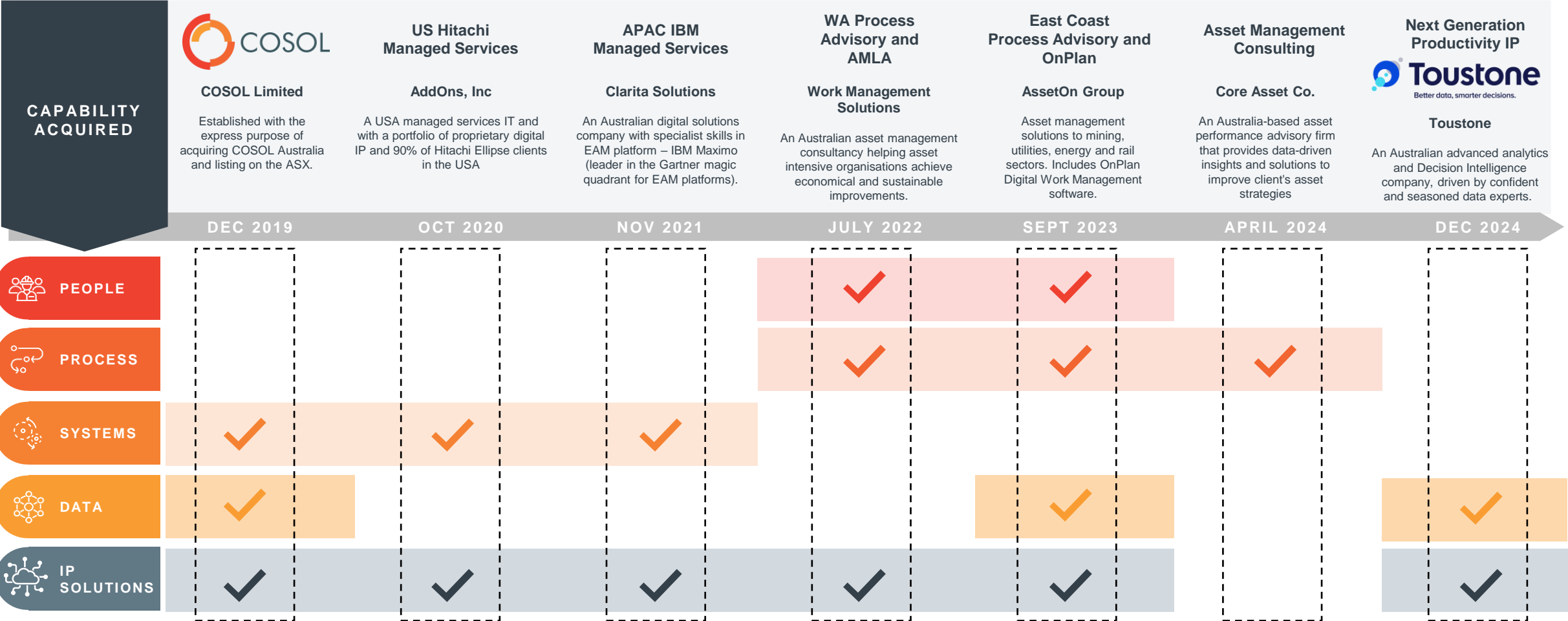


## Data Quality Assessment

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.

# Strategic M&A has delivered new capabilities for growth

Disciplined M&A based on firm strategic rationale has launched COSOL into new market segments and geographies, creating a unique end-to-end technology enabled asset management business



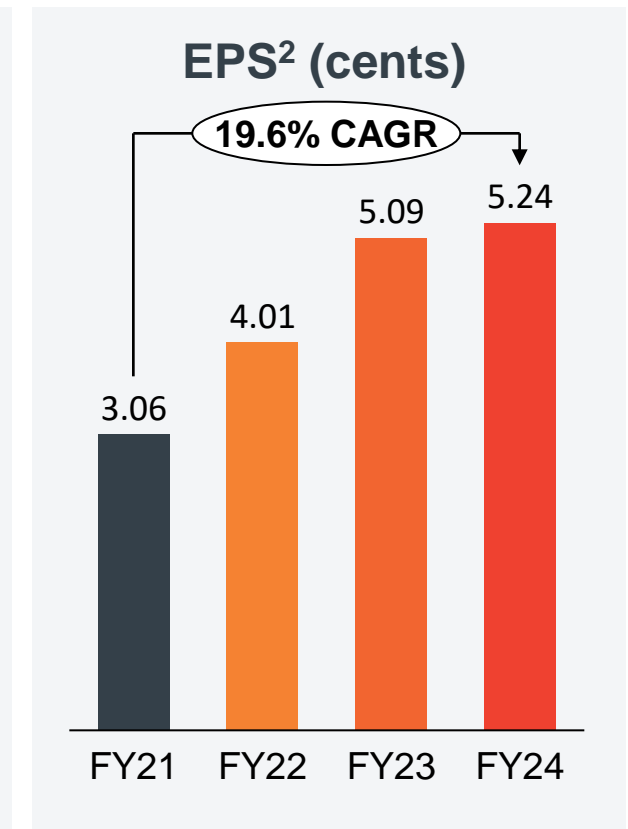
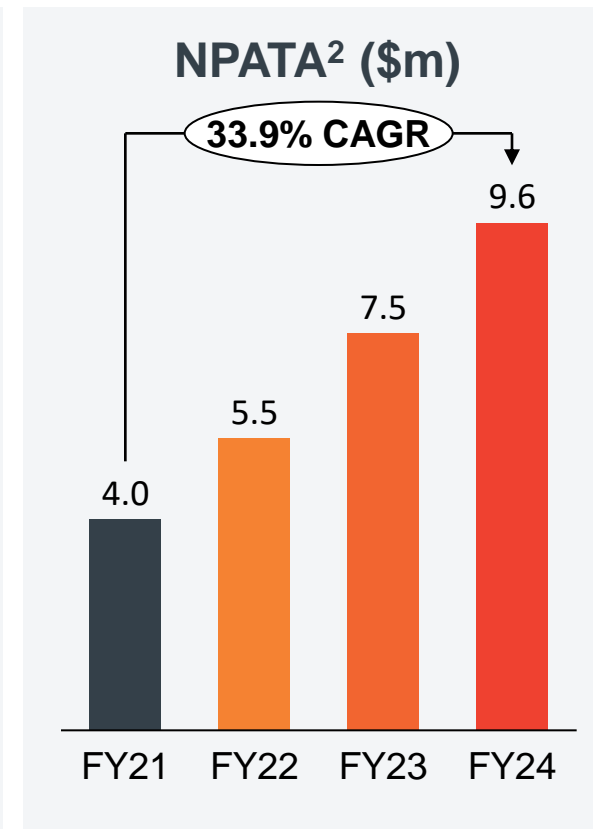
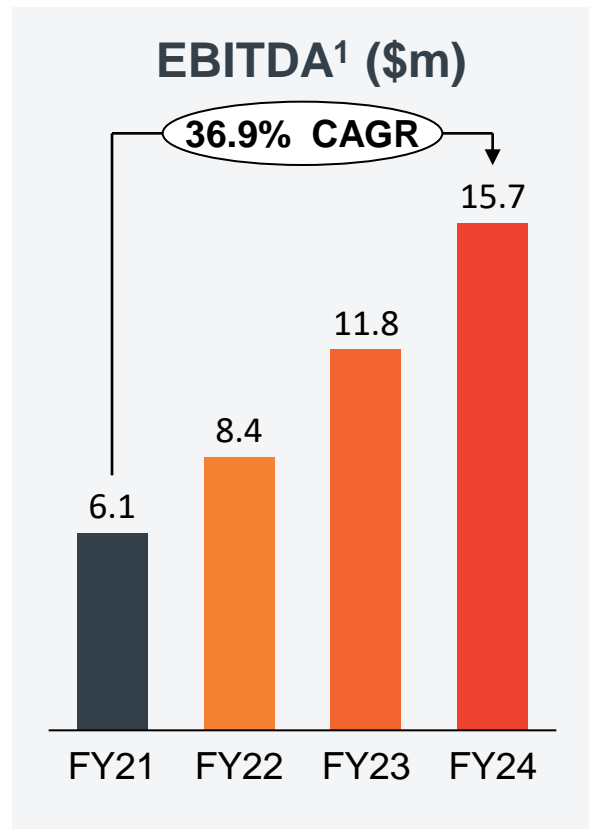
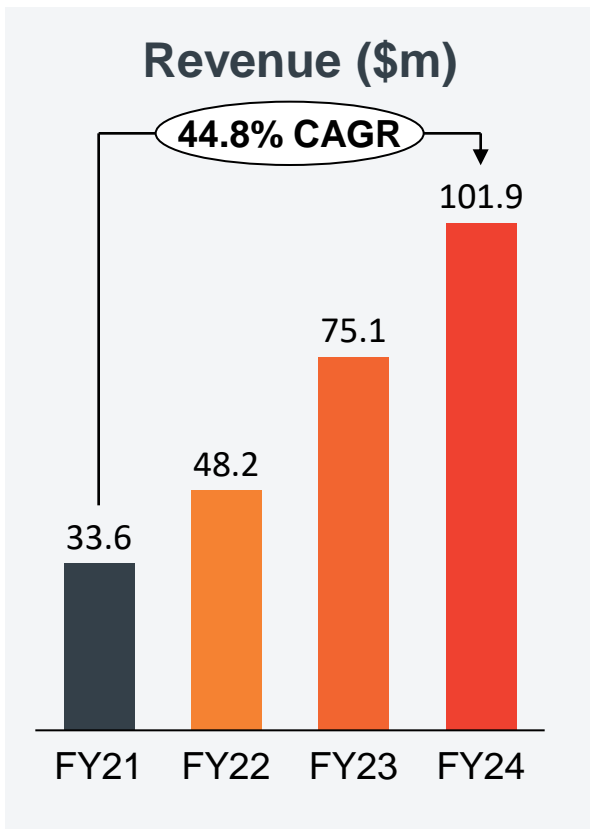
# Serving clients in critical industries and national infrastructure

COSOL works with a blue-chip client base on their digital transformation which allows them to improve asset performance, reduce costs and deliver superior return on capital

SECTOR	ASIA-PACIFIC REGION:	THE AMERICAS REGION:
 <p>NATURAL RESOURCES</p>	            	        
 <p>ENERGY &amp; WATER</p>	           	 
 <p>INFRASTRUCTURE &amp; TRANSPORT</p>	            	   
 <p>GOVERNMENT &amp; DEFENCE</p>	         	

# Delivering strong CAGR growth

Organic growth, plus strategic acquisitions accretive to earnings, with revenue synergies and IP delivering sustained growth and \$13.3m of dividends to shareholders since listing



1. Underlying EBITDA margin excludes \$0.6m and \$0.2m of acquisition costs in FY24 and FY23 respectively.
2. These are non-statutory measures which are defined in COSOL's 2024 Annual Report.



# Investment highlights

COSOL is an established leader in the asset management market, with consistent year on year revenue and EBITDA growth delivering significant returns for shareholders

1

**Strong track record** of revenue and EBITDA growth (CAGRS of 72% and 65% respectively) since 2020 IPO delivered through a combination of organic growth and strategic acquisitions.

2

**Strong growth trajectory** with a large global customer base to expand into, an established position in North America, a highly active, disciplined approach to M&A in a sector with a large TAM and positive tailwinds.

3

**Proprietary software, solutions and business consulting** underpin a technology-led capability that creates strong competitive advantage, allowing COSOL to maintain higher margins and deliver end-to-end Asset Management software, services and solutions.

4

**Entrenched blue-chip customer base** in nationally critical infrastructure sectors, with high % of renewals and a strong pipeline for growth into FY25 and FY26.

5

**+60% recurring and repeatable revenue profile** and growing income streams through proprietary SaaS and IP offerings and a fast-growing managed services segment.

6

**Highly experienced Board and Management team** with a proven track record in the industry, committed to highly profitable growth and fully aligned to maximising investor returns.



COSOL

THANK YOU

[www.cosol.global](http://www.cosol.global)

