

Carl Data Solutions Inc.

(CSE:CRL)

CRL: Positioned at the Forefront of Industrial IoT Data Collection & Analytics

Company Description

Carl Data Solutions Inc. is a Canada-based company focusing on the next generation of data collection, storage, monitoring and analytic solutions for data-centric Industrial IoT enterprises. The Company develops cloud-based software analytics and dashboard solutions to provide Big Data-as-a-Service (BDaaS) solutions for industry and governments. Carl Data's applications can collect any type of data from any sensor or source to produce detailed reports, predictive analytics, and real-time insights into infrastructure status. Carl Data's innovative data platform is currently focused on Water/Wastewater Infrastructure, Mining and Solid Waste Management.

Investment Highlights

- Astra Smart Deal & Data Center Highlights.** On June 8, 2018, Carl Data completed the acquisition of Astra Smart Systems Inc. ("Astra"), a technology company that produces advanced environmental sensors and devices for IIoT applications, develops complimentary data-centric software and runs a data center currently filled to half capacity with 700 servers in Trail, B.C. Astra also has research capabilities in machine-to-machine ("M2M"), smart contract and blockchain products to build distributed data storage solutions. Of significance, the data center is fully Canadian Standards Association ("CSA") certified, offering a 1.5MW co-location platform, with services including perimeter security, monitoring cameras and relative humidity sensors. The Company already has one customer and is ramping up to have a 4MW facility ready in the near future. Accordingly, management is actively seeking Big Data, Artificial Intelligence (AI) or Crypto-mining clients.
- We continue to forecast CRL's annual revenue run rate to approach \$3M - \$4M for FY2019, implying an impressive 184% y/y growth at the midpoint of our topline range.** The location of Astra's data center & manufacturing facility, and integration framework to combine existing product lines make the Company an attractive asset for Carl Data. Management forecasts Astra revenues to grow beyond the \$1.4M annual run rate, driven by operational synergies from integrated end-to-end ("E2E") solutions. Currently, CRL's annual revenue run rate is \$1.2M. Carl Data has several key catalysts that should help the revenues to meaningfully pick up in FY2019. Specifically, these drivers include: roll-out of new initiatives in the mining vertical, more clients projected to sign up for the Analytics suite and the release of smart data loggers. Conclusively, we opine that the next 12 months is going to be strong from a revenue generation standpoint, and CRL will achieve the aforementioned \$3M - \$4M range.
- Carl Data is emerging as a leader in Big Data analytics, with ability to leverage technology over several verticals.** Since the acquisition of FlowWorks in 2015, the Company has built a robust BDaaS technology stack servicing a high-quality and sticky client list in the following sectors: Water & Wastewater Infrastructure, Mining and Solid Waste Management. The Astra deal gives Carl Data a strategic lever to provide fully integrated E2E solutions and further bridge the IIoT software and hardware markets to capitalize on 'Smart City' international opportunities. Consequently, we believe that at current levels, CRL shares exhibit an attractive risk/reward profile.

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Price Performance



Market Data (CSE:CRL)

Price (Aug 30, 2018)	\$0.12
52 Week Range	\$0.06 - \$0.48
Market Cap (M)	\$9.1
Current Shares Outstanding (basic, M)	75.9
Current Shares Outstanding (fully diluted, M)	109.8
Free Float	83%
Average Daily Volume (3 months)	93K
Last Reported Debt (M)*	\$1.2
Last Reported Cash (M)*	\$0.8
Total Assets (M)*	\$2.9

Headquarters

Burnaby, BC, Canada

Website

www.carlsolutions.com

Top Shareholders

Brad Scharfe	7.6%
BDirect Online Comm	2.9%
Greg Johnston	2.4%
Jason Scharfe	1.9%
Kerr Wood Leidal Associates, L	1.3%

Management

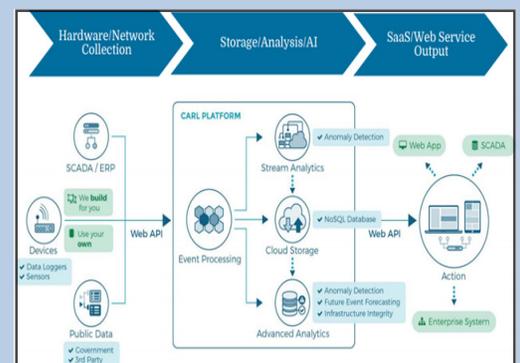
Greg Johnston	President, CEO and Director
Alastair Brownlow	CFO
Piotr Stepinski	CTO
Mike McDonald	VP of Engineering
Kevin Marsh	VP of Business Development

*As of Mar. 31, 2018

All figures in CAD unless otherwise stated.

Source: Company Reports, Thomson Reuters

Figure 1: Company's Solutions Overview



Source: Company Presentation

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