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ASX Announcement

COSOL Delivers FY20 Earnings

- **COSOL**
  - **Statutory EBIT of $1.96m and NPAT of $1.51m**
  - **Pro-forma full year EBIT of $3.93m and NPAT of $2.88m**
- **Strong COSOL balance sheet**
  - **Cash position of $6.8m as at 30 June 2020**
  - **Net debt of $117k as at 30 June 2020**
- **COSOL Australia Pty Ltd full year operating results – exceed IPO forecasts**
  - **Revenue of $22.17m – exceeds IPO forecast by 3.4%**
  - **EBIT of $4.45m – exceeds IPO forecast by 9.3%**
- **Support and digital IP (product and product services) based revenue exceeds 55% of total revenue**
- **Positive FY21 outlook**

Brisbane, 26 August 2020 – COSOL Limited (**COSOL, ASX:COS**) is pleased to release its audited financial results for the financial year ended 30 June 2020. COSOL's FY20 earnings exceeded its IPO prospectus forecast and are consistent with its June earnings upgrade.[i]

Financial highlights

COSOL was incorporated on 7 August 2019 and acquired COSOL Australia as a wholly owned operating subsidiary on 16 January 2020. Its FY20 statutory results (including the 5½ months of the financial year it operated as a consolidated entity) delivered EBIT of $1.96m and NPAT of $1.51m.

On a full year operating pro-forma basis the consolidated entity would have delivered EBIT of $3.93m and NPAT of $2.88m.

These results are underpinned by the strong performance of COSOL's operating subsidiary, COSOL Australia, which delivered full year operating revenue of $22.17m (up 64% of previous full year) and EBIT of $4.45m (up 61% of previous full year).

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Commentary

During FY20 as part of its strategy to become a global leader in delivering innovative digital solutions, products and services in the enterprise asset management (EAM) sector, COSOL acquired COSOL Australia Pty Ltd and listed on the ASX. COSOL's FY20 financial performance, coupled with a series of new major client wins and growth in the use of its proprietary digital IP data migration platform RPConnect®, provides a strong platform to continue to grow the business into FY21.

COSOL Non-Executive Chairman, Geoff Lewis, commented "The 2020 financial year has been a challenging year for society and businesses, and while COSOL adapted to protect the health and wellbeing of our staff and preserve client relationships, we maintained a focus on delivering shareholder value and positioning the business for growth.

The performance of our operating business is a reflection of the skills and expertise of the COSOL Australia team led by Scott McGowan. They are to be congratulated for their efforts in adapting our delivery model to cater for the impacts being felt in our clients' businesses, while continuing to grow COSOL's digital IP revenue by winning new business with clients such as the Australian Defence Force and CleanCo Queensland Limited[ii].

The COSOL team is focused on the year ahead as we build on the great results of FY20. We will continue to deliver innovative, effective and trusted enterprise asset management solutions, and work to grow the business through greater penetration into the market of COSOL's industry-leading IP while expanding our reach into new markets."

FY21 outlook

Through the swift adoption of flexible working models and engaging closely with our clients and partners, COSOL has not experienced a negative financial impact or a deterioration in its business development opportunities from the COVID-19 pandemic. COSOL remains optimistic that the business will continue to perform strongly in FY21 driven by organic growth from wining new and expanded client work, the continued investment in and deployment of its proprietary digital IP, and the potential acquisition of complementary and synergistic businesses.

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This announcement was authorised for release by the Board of COSOL Limited.

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About COSOL

COSOL is a global, digital services and transformation specialist company providing strategic advice and practical delivery to streamline enterprise asset management business processes and technology systems. Combined with our proprietary data migration and reporting solutions (BPConnect®, RPConnect®), our Company offers industry specific expertise in the definition, analysis, design, implementation, optimisation and support of production and commercial systems within a tailored and flexible delivery framework. COSOL's knowledge of systems and business processes coupled with the ability to interact from the shop floor to the boardroom enables streamlined sustainable business process transformations.

We have maintained a strong Ellipse practice since inception, providing both business improvement and tier II functional and technical support. Importantly, COSOL also maintains an SAP practice with a range of technical and functional SAP specialists. The Company maintains networks and relationships with industry recognised solution providers and we sell our own integration, data migration and reporting solutions (BPConnect®, RPConnect®). COSOL has realised business benefits for our clients through the planning and deployment of these solutions.

COSOL differentiates itself through high quality asset intensive industry consultants for both Ellipse and SAP and the significant development of both the product RPConnect® and IP retention for enterprise resource planning data migration projects.

We have delivered data migration, cleansing and retention within multiple versions of Ellipse, in most cases under tight deadlines and in an environment with sensitivities relating to the M&A activity. We have an implicit understanding of both Ellipse and SAP data structures and environment. One of our differentiators is the ability to cross the SAP/Ellipse and industry knowledge bridge, reducing the risk and increasing the likelihood of success under tight timeframes.

[i] See ASX announcement dated 26 June 2020.
[ii] The Queensland Government's new publicly owned clean energy generator.