



COSOL

**FY'21 Annual Results
Investor Presentation**

August 2021

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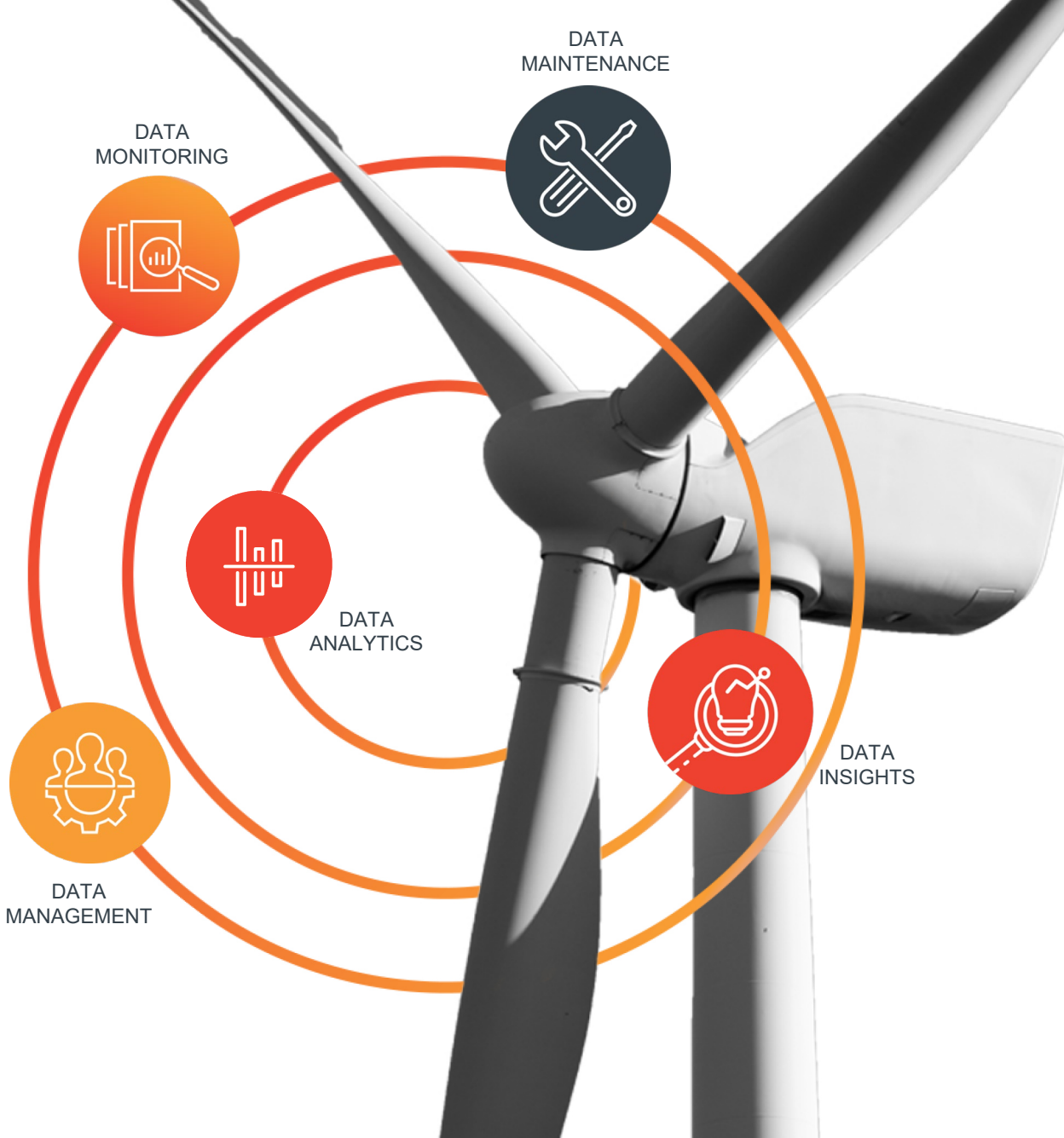
All currency amounts in this presentation are in Australian dollars unless otherwise stated. "FY" refers to the full year to 30 June 2021. Amounts in this document have been rounded and any differences between this document and COSOL's financial statements are due to rounding.

AUTHORISATION

This presentation is dated 26 August 2021, and was authorised for release by the Board of COSOL.

For more information, please contact: Mr Ben Buckley, T +61 409 405 550, E ben.buckley@cosol.com.au

COSOL Limited ABN 66 635 371 363
Level 3, 201 Leichhardt Street, Spring Hill QLD 4000



Company Overview

COSOL is a global provider of proprietary digital solutions to asset intensive industries. We drive quantifiable business improvements through the enhanced use of data and data analytics.

People 160
Clients 68
Share Price \$0.64
Market Cap \$84.3m

Locations:
 HQ & Asia Pacific Brisbane
 North America Denver

As at August 25, 2021

COSOL Limited – FY’21 Financial Highlights

Group Results

Revenue = \$33.58m

EBIT = \$5.52m

NPAT = \$3.99m

Full year final dividend = 1.0 cents
 Total Annual Dividend = 1.5 cents
 (Fully Franked)

- ✓ Group revenue of \$33.58m – up 51% year on year
- ✓ Group EBIT of \$5.52m – up 41% year on year
- ✓ Group EBIT margin - 16.45%
- ✓ NPAT of \$3.99m - up 39% year on year
- ✓ Strong Balance Sheet - cash balance of \$4.18m and net debt of \$2.3m
- ✓ Basic EPS = 3.06 cents per share
- ✓ Fully franked final dividend of 1.0 cents per share

NB: Financial highlights and metrics are presented on a proforma basis which includes the full year results of COSL Australia Pty Ltd which was acquired in January 2020

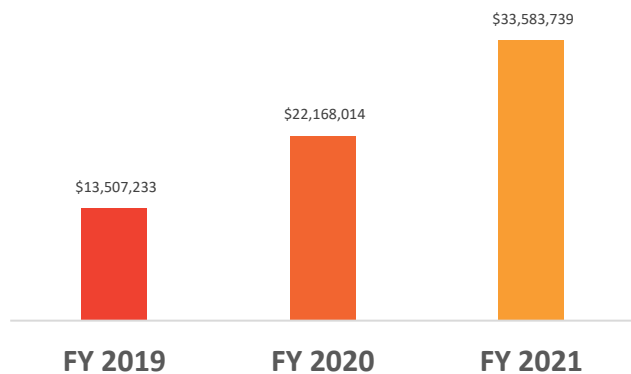
Full Year FY'21- Operating Highlights

During FY'21, COSOL Limited was able to grow despite the challenges presented by COVID 19 and through organic growth, acquisition and the expansion of our capabilities and proprietary digital solutions deliver another strong year of operating highlights.

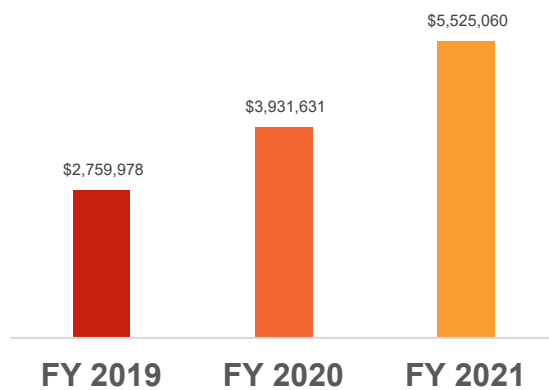
1 Organic Growth COSOL APAC	2 Acquisition of AddOns Inc in North America	3 Major Client Wins	4 Hitachi Partnership Expansion	5 SAP Capability growth	6 Digital Solutions Expansion
<ul style="list-style-type: none"> • Revenue growth of 21% • EBIT growth of 25% • Strong performance of underlying operating business units in Australia and North America 	<ul style="list-style-type: none"> • Acquisition completed in September 2020 • Largest provider of Ellipse Managed Services in North America • Strong IP acquired Evergreen, Copernicus and other productivity tools • Blue Chip Client base 	<ul style="list-style-type: none"> • Department of Defence extension on SAP to S4 data migration • Urban Utilities application and system support • Transgrid ERP and EAM replacement • Anglo Nickel data migration from SAP ECC6 to SAP S/4 Hana • Loneer - Copernicus 	<ul style="list-style-type: none"> • New partnership agreement to provide Professional services to Client base • Department of Defence - Ellipse EAM system support 	<ul style="list-style-type: none"> • CleanCo data migration project • Anglo Nickel • Department of Defence • OK Tedi 	<ul style="list-style-type: none"> • COSOL RP Connect LDV • COSOL RP Connect DQA • COSOL RP Connect ECC2S4 • COSOL Evergreen • COSOL Copernicus • COSOL Add Ons

FY'21 Group Financial Performance vs previous periods*

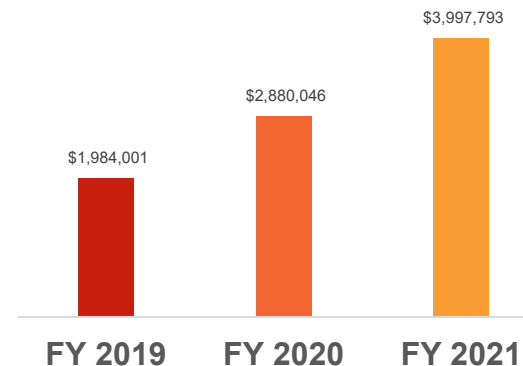
Group Revenue Growth of 51%



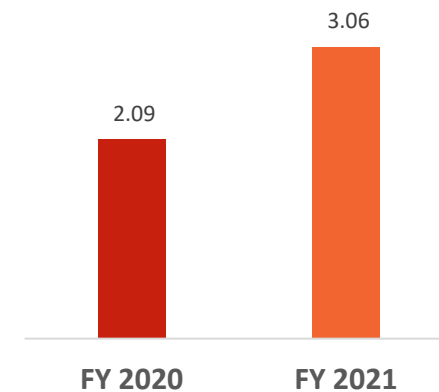
Earnings Before Interest & Tax up 41%



Net Profit After Tax up 39%



Earnings Per Share (cps)



* Financial highlights and metrics are presented on a proforma basis which includes the full year results of COSL Australia Pty Ltd which was acquired in January 2020

Full Year FY'21 Financials – Profit and Loss

COSOL Group Profit & Loss	% vs Fy'20	\$000's
Total Revenue	51%	33,584
Gross Profit		12,306
Gross Profit Margin		36.6%
EBITDA		6,153
EBITDA Margin		18.3%
Depreciation & Amortisation		(628)
EBIT	41%	5,525
EBIT Margin		16.45%
Finance Costs		(132)
NPBT	59%	5,393
Tax		(1,395)
NPAT	39%	3,998
EPS (cents)		3.06
Dividends (cents)		1.00

Notes:

- COSOL North America consolidated from 1 September 2020
- COSOL North America Contributed \$A 6.8m revenue and EBIT of \$A 1.1m
- COSOL APAC revenue increased 21% on a full year normalised proforma basis
- COSOL APAC EBIT increase 25% on a full year proforma normalised basis, (excluding share-based payments of \$300K and DD costs of \$160K)
- EBIT Margin of 16.5% consistent with half year
- Depreciation on plant and equipment was \$186K in FY21 and Right of Use Assets \$436K.
- COSOL has not received any JobKeeper payments in either FY20 or FY21

Full Year FY '21 Financials – Cash Flows

Group cash flow:

Cash Flow from Operations	(,000)
Receipts from customers	32,612
Payment to suppliers	(29,246)
	3,366
Other operating cash flows	183
Income taxes paid	(1,685)
Net cash flow from operating	1,864
Cash flow from Investing	
Payment for purchase of business	(1,607)
Deferred consideration	(3,704)
Other investing	(179)
Net cash flow from investing	(5,490)
Cash flow from Financing	
Proceeds from Issue of shares	
Proceeds from net bank borrowings	2250
Repayment of lease liabilities	(522)
Dividends paid	(659)
Net cash flow from financing	1,069
Net increase / (decrease) in cash	(2,557)
Cash at beginning of year	6,774
Exchange rate movements on cash	(33)
CASH AT END OF YEAR	4,184

Notes:

- Cash from operations impacted by
 - Accrued revenue of \$2M on milestone-based project work. This includes \$800K for the Department of Defence project in partnership with IBM – payment due in July 2021
 - Debtor days increased on the prior year primarily due to slower collections from some international clients serviced from Australia
- Income taxes paid of \$1.68M exceeded our income tax expense of \$1.4M. We expect lower net income tax payments in early FY22.
- Cash from investing included \$3.7M for deferred consideration for Australian business and \$1.6M for the acquisition of the U.S. business.
- Australian business vendors received earnout payment due to business exceeded earnout EBIT targets
- Payment of inaugural dividend of \$660K
- Cash from financing included a net borrowing of \$2.25M

COSOL – Net Debt*

Net Debt (including deferred consideration)

Cash & Bank	\$4,184
Less Current	
Bank Loan	\$1,000
Deferred Consideration	\$3,061
Lease liabilities	\$264
Less Non Current	
Bank Loan	\$1,250
Deferred Consideration	\$898
Lease Liabilities	\$18
Total Borrowings & Leases	\$6,491
Net Debt	\$2,307

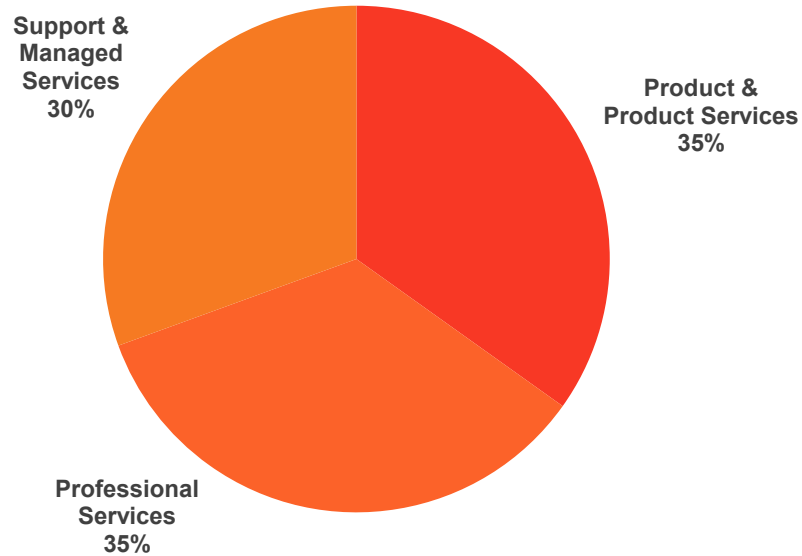
Notes:

- Net working capital is \$3.1m at 30/6/21
- Net Debt of \$2.3m
- Bank borrowings of \$2.25m
- Total Deferred consideration includes
 - COSOL Australia vendors of \$2.8m
 - COSOL North America vendor of \$2.3m

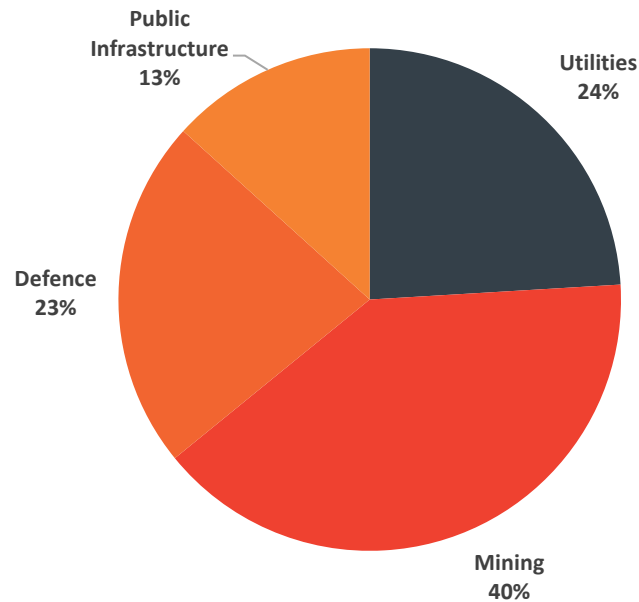
* Deferred Consideration for the COSOL North America Earnout is 50% of total earnout potential as half will be paid in COSOL shares

Full Year FY'21 Financials Revenue Segments

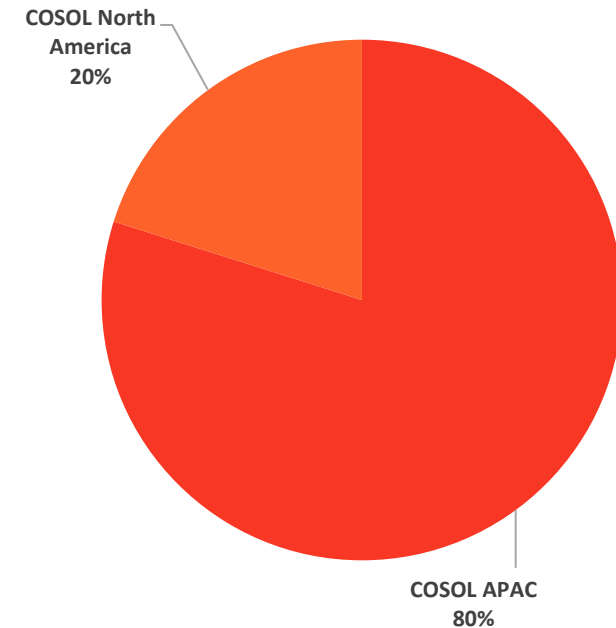
Revenue by Service



Revenue by Sector



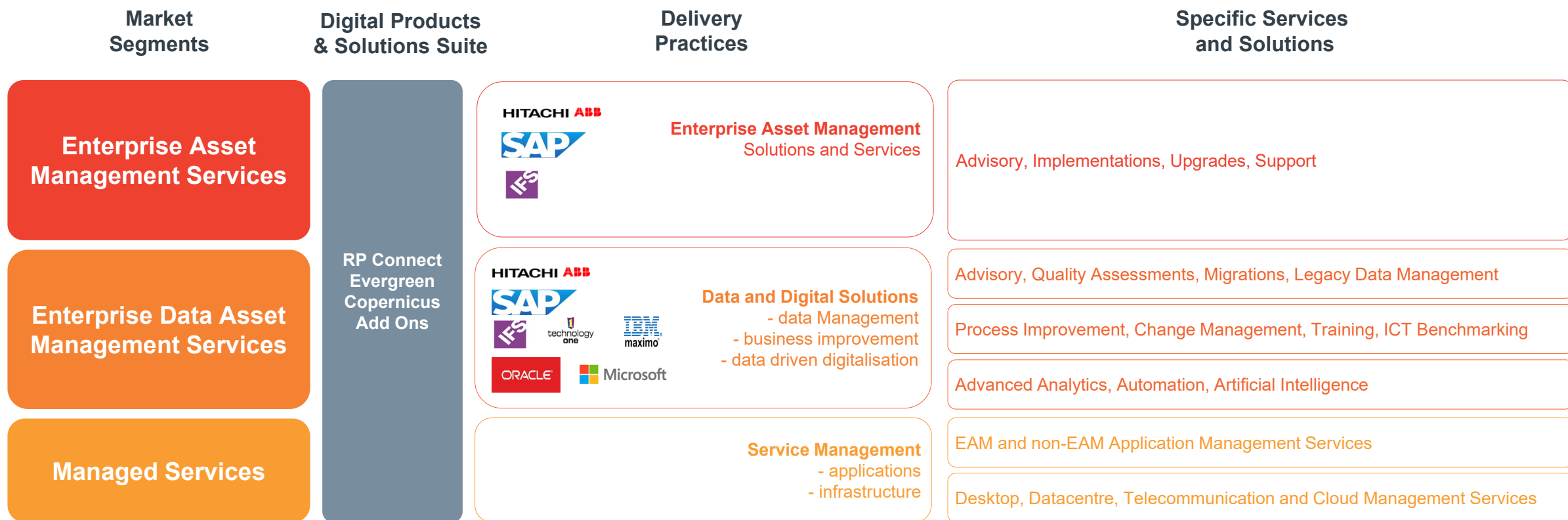
Revenue by Geography



NB: Includes COSOL North America for 10 months

Our Services and Solutions

COSOL is the largest Ellipse ABB enterprise software managed service provider in Asia Pacific and North America. In addition, we maintain networks, relationships and capabilities with industry-recognised solution providers such as SAP, IFS, Microsoft and major System Integrators such as IBM, Accenture, DXC, Deloitte and EY.



Our Major Clients

Our major clients represent some of their industry sectors most prominent blue-chip organisations and provide strong referability for the attraction of new clients and are critical to their nations infrastructure.

Asia Pacific



North America



Client Showcase

Our work with the Australian Government – **Department of Defence** and **CleanCo** demonstrate our unique and proprietary capabilities in multiple market segments



COSOL trusted as the sole provider to ensure the ongoing resilience and reliability of their EAM platform as well as to deliver the End-to-End Data Migration for Australia’s largest SAP S4 transformation project.

COSOL, jointly with Hitachi ABB Power Grids, secured a significant contract with the Department of Defence to ensure the on-going resilience and reliability of the mission critical Ellipse EAM system in supporting Defence’s immediate and medium-term operational requirements. COSOL upgraded a number of peripheral applications/system components enabling Defence to maintain currency, supportability and interoperability across their platforms.

In addition to ensuring the on-going support of their EAM platform, COSOL secured a multi-year deal with Defence through our partnership with IBM, to provide all data migration services to the largest SAP S4 transformation program in Australia.

COSOL’s proven expertise in professional data migration and proven proprietary platform, RPCConnect®, will be utilised for its ability to integrate data from multiple systems.

COSOL’s RPCConnect® delivers award winning SAP to S4 Transformation for newly established Clean Energy Provider CleanCo.

CleanCo Queensland (CleanCo), newly formed in 2019, is a Queensland government-owned low-emissions energy generator and retailer partnering exclusively with large commercial and industrial (C&I) energy customers in Queensland.

As part of the formation of CleanCo, assets were acquired from Stanwell Corporation and CS Energy. As with many divestitures, systems were provided to CleanCo under transitional service agreements until new processes and systems could be established for CleanCo to manage these assets and deliver their services.

COSOL was engaged by CleanCo to deliver a complex data migration which required the extraction of individual generation assets from existing operators, Stanwell and CS Energy, into the new CleanCo SAP S/4HANA platform

Client Showcase

OK TEDI Mining and **Ioneer** demonstrate our capability to work across multiple geographies and deploy our skills to work with mature mining companies and those who are in their embryonic stages



COSOL-acquired proprietary digital solution, Copernicus, selected to support the growth of pioneering lithium miner Ioneer.

Ioneer Ltd was founded in 2001 and is headquartered in Sydney, Australia. The name Ioneer reflects the organisation's aim to be pioneers in producing materials for a sustainable future. The company is developing a Nevada, USA mine site to be a future producer of lithium-boron.

The COSOL Copernicus solution has been specifically designed to support greenfield mining organisations out of the box and delivers incremental capability as the organisation matures through the different phases from pre-feasibility to operation ensuring that expenditure on enterprise systems is aligned with the realisation of the operating cash flows.

Utilising COSOL's proven proprietary digital solution, Copernicus, has provided Ioneer with a rapid deployment model based on best practices and enhanced services for their Hitachi Ellipse Enterprise Asset Management (EAM) and Ellipse Analytics for business intelligence and reporting.



COSOL partners with Ok Tedi Mining Limited to develop and manage processes to manage COVID-19 testing and tracking, management of sensitive personnel data and enablement of remote working.

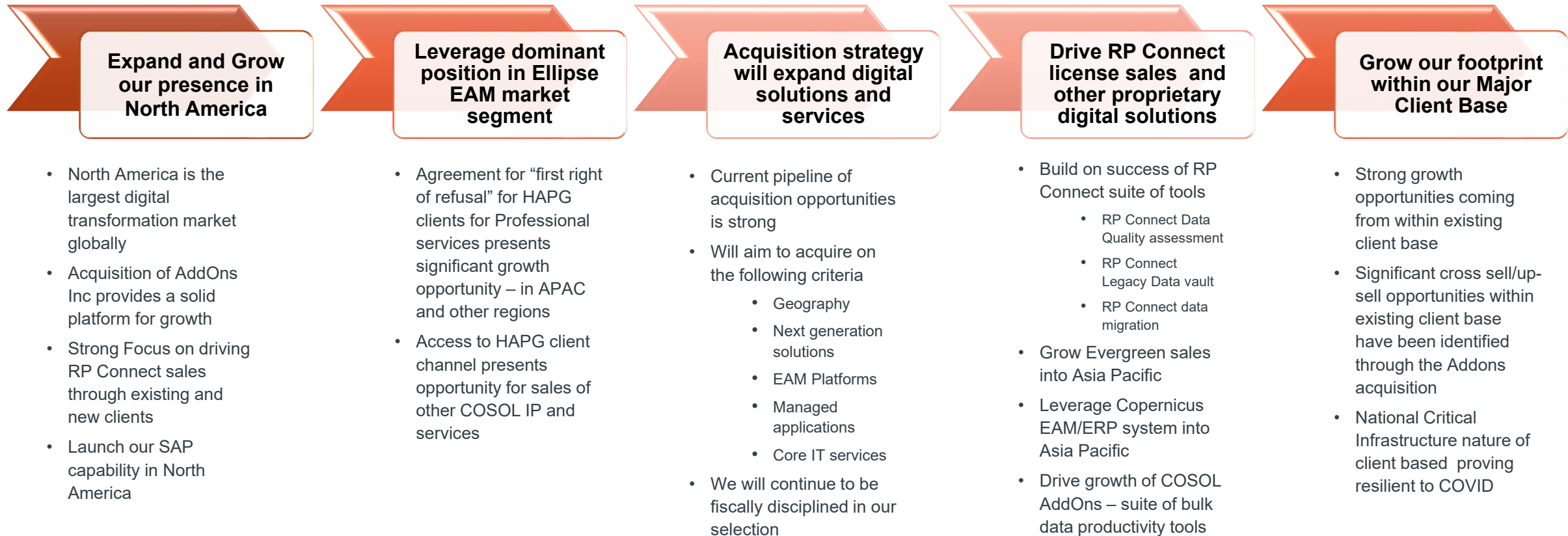
Ok Tedi Mining Limited (OTML) is a State-owned company operating an open-pit copper, gold and silver mine in the Star Mountains, Western Province, Papua New Guinea (PNG). In addition to the mine and mill, OTML operates the township of Tabubil, a power station, and a range of other assets.

COSOL and OTML have a long partnership having worked together since 2001. COSOL has provided a broad range of business improvement advisory services during this period including managed services, an EAM – Environment, Health, Safety and Management (EHSM) project, and advisory services supporting the OTML Operational Transformation project.

Completely new challenges emerged in 2020 and COSOL was able to rapidly pivot to focus on supporting the COVID-19 response. The COSOL team worked seamlessly and quickly with OTML to develop and manage entirely new processes such as COVID-19 testing and tracking, management of sensitive personnel data and enablement of remote working.

The Year Ahead – FY’22

We continue to see significant growth potential in FY’22 . Our growth is built around 5 strategic pillars executed across multiple territories with a focus on North America and Asia Pacific and our pipeline is strong.





COSOL

Thank you