

Appendix 4D and Interim Financial Report

Brisbane, 24 February 2020 – COSOL Limited (**COSOL, ASX:COS**) attaches the following documents relating to its results for the half year ended 31 December 2019.

- Appendix 4D.
- Interim Financial Report.

For more information, please contact:

Mr Ben Buckley

T +61 409 405 550

E ben.buckley@cosol.com.au

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

About COSOL

COSOL is a global, professional consultancy providing strategic advice and practical delivery to streamline enterprise asset management business processes and technology systems. 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 (BPCConnect®, RPCConnect®). 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 RPCConnect® 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.

Interim Financial Report and Appendix 4D

Cosol Ltd
ABN 66 635 371 363

Reporting Period: Half year ended 31 December 2019
Previous Corresponding Period: None

Results for announcement to the market:

	Movement	%		31 Dec 19
Revenue	-	-	To	\$ Nil
Net loss for the period attributable to members	-	-	To	71,142

	Movement	%		31 Dec 19
Basic loss per share	-	-	To	Cents (0.165)

	31 Dec 19
Net tangible asset backing per share (AASB16)	Cents 4.83
Net tangible asset backing per share (pre AASB16)	4.83

Note – Net Tangible Assets per share as at 31 December 2019 recognises the implementation of AASB 16: Leases. In accordance with ASIC guidance, “right of use” lease assets have been excluded from assets in the NTA calculation whilst the lease liability remains in the NTA calculation.

Dividends:

Nil.

Details of entities over which control has been gained or lost during the period:

Not applicable.

Details of dividend reinvestment plan:

Not applicable.

For foreign entities, accounting standards used in compiling the report:

Not applicable.

Description of any modified opinion, emphasis of matter or other matter paragraph contained in the independent auditor’s review report:

The Independent auditor’s review report is attached to the Interim Financial Report. The Independent auditor’s review report does not contain any modified opinion, emphasis of matter, other matter paragraph.

Signed: 
Geoffrey Lewis
Chairman
Perth

Dated: 21 February 2020

Cosol Ltd

ACN 635 371 363

Financial Statements – 31 December 2019

COSOL Ltd
Directors' report
31 December 2019

The directors present their report, together with the financial statements, on the company for the period ended 31 December 2019.

Directors

The following persons were directors of the company during the whole of the financial period and up to the date of this report, unless otherwise stated:

- Geoffrey James Lewis (Chairman)
- Gerald Peter Strautins
- Grant Anthony Pestell
- Stephen Edward Oliver Johnston

Principal activities

The Company was incorporated on 7 August 2019 to acquire 100% of the issued shares in Cosol Australia Pty Ltd which was completed on 16 January 2020. The company undertook an initial public offering and was listed on the Australian Securities Exchange ('ASX') on 24 January 2020.

Dividends

Dividends paid during the financial period were as follows:

For the
period 7
August
2019 to 31
December
2019
\$

No dividend were paid for the period ended 31 December 2019.

-

Review of operations

The company incurred expenses relating to the initial public offer.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

As noted above, since 31 December 2019 the company acquired 100% of the issued share capital of Cosol Australia on 16 January 2020 and listed on the ASX on 24 January 2020.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Cosol Ltd
Directors' report
31 December 2019

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Geoffrey Lewis
Chairman

21 February 2020

ELDERTON

AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of COSOL Limited

As auditor for the review of COSOL Limited for the period ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens

Managing Director

Perth

21 February 2020

Cosol Ltd
Contents
31 December 2019

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	11
Independent review report to the members of Cosol Ltd	12

General information

The financial statements cover Cosol Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Cosol Ltd's functional and presentation currency.

Cosol Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Murcia Pestell Hillard Lawyers'
Suite 183 Level 6,
580 Hay Street
PERTH WA 6000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2020. The directors have the power to amend and reissue the financial statements.

Cosol Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	For the period 7 August 2019 to 31 December 2019 \$
Revenue	-
Other income	-
Expenses	
Listing costs attributable to seed raise	(71,142)
Loss before income tax	(71,142)
Income Tax	-
Loss after income tax for the year attributable to the owners of Cosol Ltd	(71,142)
Other comprehensive income	
Total comprehensive income for the year attributable to the owners of Cosol Ltd	(71,142)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the
accompanying notes*

Cosol Ltd
Statement of financial position
As at 31 December 2019

	Note	For the period 7 August 2019 to 31 December 2019 \$
Assets		
Current assets		
Cash and cash equivalents	3	2,440,331
Deposit		200,000
Prepaid listing costs		400,384
Prepayments		58,420
Total current assets		<u>3,099,135</u>
Total Assets		<u>3,099,135</u>
Current liabilities		
Trade creditors		25,277
Subscriptions received in advance		995,000
Total current liabilities		<u>1,020,277</u>
Total liabilities		<u>1,020,277</u>
Net assets		<u><u>2,078,858</u></u>
Equity		
Issued capital	4	2,150,000
Accumulated losses		(71,142)
Total Equity		<u><u>2,078,858</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

Cosol Ltd
Statement of changes in equity
For the year ended 31 December 2019

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Introduction of capital	2,150,000	-	-	2,150,000
Loss for the year	-	-	(71,142)	(71,142)
Total comprehensive income for the year	-	-	(71,142)	(71,142)
Balance at 31 December 2019	<u>2,150,000</u>	<u>-</u>	<u>(71,142)</u>	<u>2,078,858</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cosol Ltd
Statement of cash flows
For the year ended 31 December 2019

	Note	For the period 7 August 2019 to 31 December 2019
Cash flows from financing activities		
Proceed from issue of share capital		<u>2,945,000</u>
Net cash from financing activities	3	<u>2,945,000</u>
Cash flows from operating activities		
Payments to suppliers		<u>(504,669)</u>
Cash flows from investing activities		
MPH Trust Account		<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,440,331</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>2,440,331</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has not commenced operations during the financial year. The Company was incorporated on 7 August 2019 to acquire 100% of the issued shares in Cosol Australia Pty Ltd and Collaborative Solution Holdings Pty Ltd. The Company also intends to undertake an initial public offer on the Australian Securities Exchange (ASX). All the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') are not applicable for the current reporting period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Cosol Ltd's functional and presentation currency.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The company has not commenced operations during the financial year. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company and are not applicable for the reporting period ended 31 December 2019.

Cosol Ltd
Notes to the financial statements
31 December 2019

Note 3. Current assets - cash and cash equivalents

	For the period 7 August 2019 to 31 December 2019 \$
Cash at bank	
- Current account	1,445,331
- Subscription account	995,000
Cash and cash equivalents	<u>2,440,331</u>

Note 4. Equity - issued capital

	For the period 7 August 2019 to 31 December 2019 \$
Authorised, allotted and fully paid	
43,000,000 ordinary shares of \$0.05 each	<u>2,150,000</u>
	<u>2,150,000</u>

Note 5 – Subsequent event

On 16 January 2020 the company acquired 100% of the issued share capital of Cosol Australia Pty Ltd. The company successfully completed an Initial Public Offering and was listed on the ASX on 24 January 2020.

Cosol Ltd
Director's Declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Geoffrey Lewis
Chairman

21 February 2019

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Independent Auditor's Review Report

To the members of COSOL Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of COSOL Limited ("the Company"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of COSOL Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of COSOL Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the COSOL Limited's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director
21 February 2020
Perth