

COSOL delivers strong FY'21 Full Year results

Financial Highlights*

- Group Revenue of \$33.58m – up 51%, year on year
- Group EBIT of \$5.52m – up 41%, year on year
- EBIT Margin – 16.45% consistent with H1
- NPAT - \$3.99m – up 39%, year on year
- Basic EPS – 3.06 cents per share – up 46%, year on year
- Cash Position – \$4.18m
- Net debt (including deferred consideration) - \$2.3m
- Fully franked final dividend of 1.0c per share

* Financial Highlights and references to financial metrics are presented on a normalised pro-forma basis which includes the full year results of COSOL Australia Pty Ltd which was acquired in January 2020.

Brisbane, August 25, 2021 – COSOL Limited (**COSOL, ASX:COS**) is pleased to release financial results for the full year ended June 30, 2021. The results continued to show strong growth both organically and from acquisition in line with its stated strategy.

Financial Highlights

COSOL delivered Group revenue of **\$33.6m up 51%** year on year on a normalised proforma basis. The COSOL Group EBIT result of **\$5.52m increased by 41%** on a normalised proforma basis when compared to previous year result. NPAT was **\$3.99m which grew 39%** year on year.

These results included a nine-month Revenue and EBIT contribution from COSOL Limited's fully owned US based subsidiary AddOns Inc. of **\$6.7m and \$1.1m** respectively. AddOns Inc. was acquired in the first half of FY'21. The results did not contain any income received from Jobkeeper as COSOL operating entities did not qualify. This was as a result of prudent financial management and providing products and services to support nationally critical infrastructure.

Basic EPS was **3.06 cents per share, a 46% increase** on the previous year.

COSOL Limited is also pleased to announce a fully franked final dividend of 1.0 cent per share which follows the fully franked interim dividend of 0.5cents per share. This is in line with the guidance provided at the half year of an expected dividend payout ratio of 50% of NPAT. Entitlements to this dividend will be effective from the record date of October 1, 2021, with payment on October 29, 2021.

Operating Highlights

During the FY'21 period COSOL Limited, and its operating entities had a strong operating performance in its full first year as a publicly listed company on the Australian Stock Exchange. Despite the many challenges faced by the prevailing conditions caused by the COVID-19 pandemic, the company was still able to achieve strong financial results as a result of a number of operating highlights, which included:

- **COSOL Asia Pacific continuing to deliver strong organic growth.** Organic revenue up 21% when compared to the previous corresponding period, together with a 25%* increase in EBIT.
- **The acquisition of AddOns Inc.** AddOns Inc. is the pre-eminent provider of managed services to Ellipse users in North America and the acquisition is in line with our stated objective of becoming the dominant global provider of Ellipse professional and managed services.
- **Partnership with Hitachi-ABB Power Grids (HAPG) expanded.** COSOL Limited signed a strategic partnership agreement that provides COSOL, through HAPG, with a 'first right of refusal' for Ellipse professional service engagements in the APAC region as well as supporting HAPG across other geographies.
- **Major Client Wins.** Through its growing network and the deployment of proprietary digital solutions, the year saw COSOL secure several major agreements with key clients including the Australian Department of Defence, Urban Utilities, Transgrid, Anglo America and Loneer.
- **Growth in SAP Capability.** With successful delivery of key projects with clients such as CleanCo and the Australian Department of Defence, COSOL continued to demonstrate its strength in providing a low-risk solution to accelerate the migration of data from SAP legacy products to the SAP S4 solution.
- **Proprietary Digital Solutions fuelled growth.** COSOL added to its existing suite of proprietary digital solutions with the acquisition of AddOns Inc. and can now deploy a suite of unique products and applications on a multi territory basis including RPCConnect®, Evergreen and Copernicus.

*Comprises normalised COSOL Asia Pacific EBIT after adjustment for \$166k in due diligence expense and \$304k in share-based payments expense.

COSOL Non-Executive Chairman, Geoff Lewis, stated *"Financial Year 2021 presented many challenges for the business world and society in general. Through all these challenges COSOL Limited and its operating businesses demonstrated the robust nature of our business model and the ability to adapt to the new operating environment and deliver on our promise to our existing clients, attract new clients and continue to deliver on our strategic growth objectives"*

"COSOL Limited was able to grow revenue substantially, deliver strong operating margins and prove that our business model and strategies are resilient to the headwinds created by the COVID 19 pandemic".

FY'22 Outlook

COSOL continues to see significant organic growth potential in FY'22 and is excited about the year ahead and its strategic growth initiatives include:

- **Growth of North America**

COSOL will leverage and expand its presence in North America following the acquisition of AddOns Inc. North America is the biggest global market for digital transformation projects and our focus will be on expanding our footprint within existing clients, driving new revenue opportunities through RPConnect® to existing and new clients, and deploying our SAP capability throughout North America.

- **Consolidate and leverage our HAPG Ellipse market leadership position**

Through COSOL's new and expanded partnership with HAPG, COSOL's focus will be on providing our professional services capabilities to existing Ellipse users globally and using these new relationships to provide additional proprietary products and services into a new client channel.

- **Drive RPConnect® licence sales and other proprietary digital solutions**

Our RPConnect® proprietary data management suite (RPConnect® Data Quality Assessment, RPConnect® Legacy Data Viewer and RPConnect® ECC2S4 Hanna) will continue to position us well in the tender process and in many cases provides sole sourcing positioning, driving higher margins and creating new subscription revenue. In addition, our Evergreen and Copernicus solutions will continue to provide new access points to new and existing clients.

- **Expand our Digital products and service offerings through strategic acquisition**

COSOL is actively targeting several strategic opportunities to supplement organic growth and build upon our Enterprise Asset Management pedigree, exploit our position on data and build out a portfolio of digital solutions including advanced analytics, robotic process automation and decision support through simulation and optimisation. Additionally, we will review opportunities that provide us access to new territories and adjacent and relevant industries.

- **Expand our growth within our existing Major Client Base**

COSOL prides itself on intimate client relationships and continues to see growth from expanding relationships beyond initial engagements and converting them into longer term and more expansive opportunities.

"We are excited about the year ahead and through the deployment of our proprietary digital solutions in multiple territories, our continued growing dominance in the Ellipse EAM market segment and through the strategic acquisitions of new capabilities and solutions, we expect to achieve strong growth and deliver strong returns to shareholders", Non-Executive Chairman Geoff Lewis said.

"COSOL's results reflect the quality and proprietary nature of our products and services. Combined with the dedication, resilience and professionalism of our people, we expect to have another positive year in FY'22"



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

About COSOL

COSOL Limited 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.

Our specialists have a valuable combination of industry experience and technology systems expertise to solve the most complex issues efficiently and pragmatically for our clients.

COSOL is the largest Hitachi ABB Ellipse enterprise software managed service provider in Asia Pacific and North America and in addition, maintains 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.

COSOL Limited was listed on the Australian Stock Exchange (ASX) in January 2020 and through its operating entities COSOL Asia Pacific and COSOL North America it has been an established leader in this sector for over 20 years.

Its Global headquarters and COSOL Asia Pacific headquarters are located in Brisbane, Australia and COSOL North America is based in Denver, USA.