PS+C

Results Presentation

First Half – Financial Results 31 December 2019

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Highlights

A strong operational performance from continuing operations through the delivery of key outcomes set out by the **Board and Management Team**

- A **Simplified and Refocussed Business** delivering annual revenues of ~$50m, positive operating cashflows and forecasted EBIT before corporate costs (board costs, audit and legal, corporate office, listing fees, etc.) of >$5.5m[1]
- Going concern no longer consuming the business and the **Balance Sheet Strengthened** through the rationalisation of assets via divestment. This has resulted in a financially sound business.
    - Senior bank debt obligations of $1.8m at 31 Dec 2019 down from $10.3m at 30 Jun 2019 – to be repaid in full by 30 Jun 2020
    - Deferred consideration of $1.6m at 31 Dec 2019 down from $9.7m at 30 Jun 2019 - to be reduced to <$1.0m by 30 Jun 2020
    - Current liabilities of $9.9m[1] at 31 Dec 2019 - down from $32.2m at 30 Jun 2019
    - Non-current liabilities of $1.6m at 31 Dec 2019 - down from $2.9m at 30 Jun 2019
- A **New Vision** that continues to assist clients to build & commercialise their digital assets but also builds & commercialises digital assets under PS&C ownership

26.1M[1]
1st Half Revenue

40
Active Clients

230
Consultants

1
Simplified Delivery Model

[1]Continuing operations

Simplified and Refocussed Business

- Simplified delivery model operating under one brand, driven by an industry leading sales team, specialist recruitment team and client & consultant support teams, operating out of Melbourne
- Simplified service lines in growing markets aligned to our strengths and specialist capabilities that help our clients deliver their digital aspirations
- A team of 230 technology consultants delivering outcomes to a Bluechip set of clients under ongoing professional services agreements that do not limit the services we supply

Technology capability and delivery

Capabilities

We provide expert consultants across the spectrum of ICT and Digital transformation

Discovery + Insights

Shape digital ambition, strategy and business case based on insights

Design + Process

Reinvent and prototype new capabilities and journeys as part of the program

Delivery + Cloud

Activate an ecosystem to rapidly deliver at scale

Project Execution

For larger scale programs of work we provide governance and delivery

PMO SERVICES

PROJECT MANAGEMENT

GOVERNANCE+ ASSURANCE

DELIVERY+ RELEASE

1H FY20 - Review of Financials

1. 1HFY20 – P&L
2. Balance Sheet
3. Cash flow

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Profit and Loss

- Continuing operations
  - Produced a strong result on the back of a number of new client wins
  - Gross Margins from continuing operations above expectations through implementing a more balanced consultant mix and increase in utilisation
  - An EBITDA Margin above 10% from continuing operations has been achieved through the continued efficient management of operating costs
- Discontinued operations
  - Produced a mixed performance as a result of client projects being deferred and losses of a major client in QLD
  - Total consideration of $23.9m[2] received by way of cash, shares in ASX listed Tesserent Ltd and debt forgiveness

Line Item	1HFY20 ($'000) Continuing Operations	1HFY20 ($'000) Discontinued Operations	1HFY20 ($'000) Corporate Costs	1HFY20 ($'000) Statutory Result
Operating Revenue	26,100	14,210	-	40,310
Gross Margin	17.2%	35.3%	-	23.6%
Gross Profit	4,482	5,018	-	9,500
Expenses	1,667	4,857	1,708	8,232
EBITDA	**2,815**	**171**	**(1,708)**	**1,278**
EBITDA Margin	10.8%	1.2%	-	3.2%

[2] Based on a Tesserent Ltd (ASX:TNT) share price of $0.075 for the 100m Tesserent shares received as part of the consideration for the sale of the Security Segment

Balance Sheet

- A **Strengthened Balance Sheet** has been achieved by the rationalisation of assets through divestment
  - Senior debt obligations of $1.8m at 31 Dec 2019 down from $10.3m at 30 Jun 2019 – *to be repaid in full by 30 Jun 2020*
  - Deferred consideration of $1.6m at 31 Dec 2019 down from $9.7m at 30 Jun 2019 - *to be reduced to <$1.0m by 30 Jun 2020*
  - Current liabilities of $9.9m at 31 Dec 2019 down from $32.2m at 30 Jun 2019
  - Non-current liabilities of $1.6m at 31 Dec 2019 down from $2.9m at 30 Jun 2019
  - Excluding assets held for sale and shares held for distribution in specie, the deficiency in current assets to current liabilities was $0.9m at 31 Dec 2019 compared to $12.7m at 30 Jun 2019

Line Item	31 Dec 2019 ($'000)	30 Jun 2019 ($'000)
Cash & equivalents[1]	2,281	4,286
Trade and other receivables	6,301	12,760
Intangibles	28,264	47,256
Assets classified as held for sale	5,806	-
Other Assets	6,473	4,232
TOTAL ASSETS	49,125	68,534
Payables	3,483	9,451
Borrowings	1,800	10,300
Deferred consideration	1,559	9,734
Liabilities directly associated with assets classified as held for sale	8,308	-
Other Liabilities	4,699	5,606
TOTAL LIABILITIES	19,849	35,091
EQUITY	**29,276**	**33,444**

[1]Includes $1.5m of net cash held in debtor financing facility

Cash Flow

- Operating Cash Flows from continuing operations of $2.9m
  - Represents 102% of EBITDA from continuing operations
  - Forecasting continued strong cash conversion in 2HFY20
- Investing & Financing Cash inflows
  - $8.0m from sale of Security Segment
  - $0.8m from Rights issue to shareholders
- Investing & Financing Cash outflows
  - $2.1m payment of deferred consideration
  - $8.5m repayment of Senior bank debt

Key cash flow items	1HFY20 ($'000) **Continuing Operations**	1HFY20 ($'000) **Discontinued Operations**	1HFY20 ($'000) **Corporate Office**	1HFY20 ($'000) **Statutory Result**
Receipts from customers (inclusive of GST)	32,857	17,120	-	49,977
Payments to suppliers and employees (inclusive of GST)	(29,992)	(17,668)	(5,456)	(53,116)
Operations (before interest and tax)	2,865	(548)	(5,456)	(3,139)
Other revenue	-	11	-	11
Tax Refunded	-	-	578	578
Net Interest/finance costs	-	-	(621)	(621)
Funds from/(used in) operations	2,865	(537)	(5,499)	(3,171)
Funds from/(used for) investments	-	-	5,879	5,879
Funds used in financing	-	-	(6,211)	(6,211)
Net cash flows	2,865	(537)	(5,830)	(3,502)
Closing cash balance	-	-	784	784

PS+C

2HFY20 - Outlook

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New Vision

- Continue to provide services to our clients to help them build and commercialise their digital assets
- Use unique parts of our existing delivery capabilities to build and commercialise digital assets under the retained ownership of PS&C
- We will acquire digital assets that:
  - are in an operational state
  - have a viable business model at near-term commercialisation
  - have global application
  - are not resource (labour) intensive
- The Respring acquisition will add critical capability in identifying markets and improving digital asset value

Today

We assist clients to build (predominantly digital) products and services ("assets") for their exclusive commercial benefit via a fee-for-service model.

Like our peers in the industry, we have seen this fee-for-service model being impacted by commoditisation to daily rates which has ultimately led to an erosion of operating margins and placed pressure on shareholder returns.

Future

Leveraging unique parts of our existing capabilities, expand the revenue base by developing (organically or via acquisition) digital assets that are owned by PS&C where the commercial benefit is retained by PS&C.

We will continue to assist clients build digital assets via a fee-for-service model.

The new vision aims to future-proof operating margins as the portfolio of owned assets increases and their commercialisations mature.

Acquisition of Respring[3]

- Respring is a strategic consultancy that invests in and/or advises digital businesses with the aim of increasing their equity value
- Respring is led by Keith Falconer, a highly experienced digital executive with over 30 years experience in the classified and media industry. Keith has a proven track record developing digital assets for PBL, Nine Entertainment Co and Bauer Media
- Keith was previously the CEO of Trader Classifieds, the digital classifieds arm of Australian Consolidated Press (ACP), encompassing carpoint.com.au, boatpoint.com.au, bikepoint.com.au and ihub.com.au – which were sold to carsales.com.au for a 41% stake in carsales.com.au
- Respring owns a 100% interest in farmbuy.com, which will become PS&C's first digital asset

[3]Subject to shareholder approval at General Meeting of shareholders to be held on 29 March 2020

farmbuy.com

400K+

Unique Visitors Per Annum

4M+

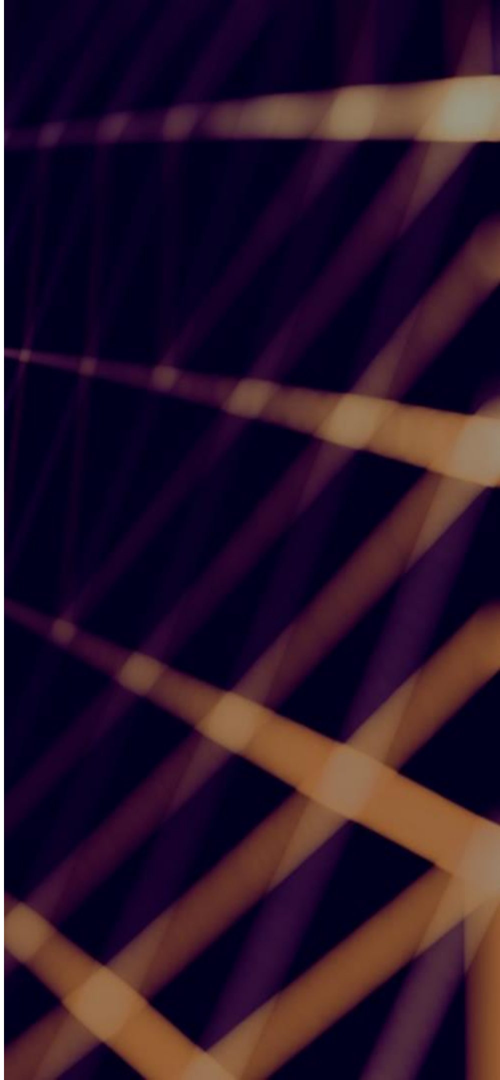
Page Views Per Annum

Meets Investment Criteria:

- ✓ Revenue model in place
- ✓ Growth opportunities in adjacent markets
- ✓ Has global application

Outlook for 2HFY20

- Second half operational performance expected to be broadly inline with first half with a forecast FY20 revenue of $50m and EBITDA of $5.6m
- Continued rationalisation of corporate costs expected to reduce the corporate envelope to an annual run rate of $2.3m by 30 June 2020
- Operating margins to be maintained through continued management of consultant pool mix and utilisation
- Senior bank debt to be repaid in full by 30 June 2020
- Deferred consideration on balance sheet to be reduced to under $1.0m by 30 June 2020
- Subject to shareholder approval, complete the acquisition of Respring Pty Ltd



Disclaimer

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The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for the half year ended 31st December 2019 as at the 27th February 2020 together with an update on PS&C's activities and is current at the date of preparation. Further details are provided in the Company's half year accounts and results announcement released on 27th February 2020.

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