

COSOL Awarded \$3.2M Contract for Department of Defence Work

- **COSOL awarded \$3.2M contract – positive contribution to FY21**
- **Sole subcontractor for Department of Defence’s major Ellipse maintenance and upgrade project**
- **Recognises COSOL’s cost efficient expertise in Ellipse systems**
- **Strengthens Ellipse solutions partnership with Hitachi ABB Power Grids and positions COSOL to win future Defence work**

Brisbane, 21 August 2020 – COSOL Limited (**COSOL, ASX:COS**) is pleased to announce that its wholly owned subsidiary COSOL Australia Pty Ltd has signed as sole subcontractor to Hitachi ABB Power Grids (**Hitachi**) to provide professional services for the Australian Department of Defence’s MILIS Sustainment Programme. The programme is centered on Defence’s core enterprise resource planning platform, based on Hitachi’s Ellipse EAM product suite.

The award of this contract is testament to the strength of COSOL’s longstanding strategic relationship with both Hitachi and the Department of Defence, and recognises COSOL’s proven expertise and comprehensive knowledge in delivering cost efficient solutions to the defence sector. The sole source nature of the contract is a direct reflection of the use of COSOL’s RPSConnect® Data Migration platform for the Defence ERP Programme, and COSOL’s unique position in the EAM market.

This new project work for Defence is valued at \$3.24m and is expected to be completed in the 2021 financial year¹. This engagement builds on COSOL’s long history of delivering solutions to the Department of Defence and will contribute positively to COSOL’s financial performance in FY21.

The project will see COSOL’s expertise and IP used 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. In addition, as part of the project, COSOL will be upgrading a number of peripheral applications/system components enabling Defence to maintain currency, supportability and interoperability across their platforms.

COSOL Australia CEO, Scott McGowan, commented “COSOL are thrilled to be partnering with Hitachi ABB Power Grids and the Department of Defence. The fact that COSOL has been given sole subcontractor status on this engagement to ensure the resilience and sustainability of this critical core Defence application is a further demonstration of the strategic importance each party places in each other. The award of this new work is the latest win from COSOL’s strategic pipeline of opportunities based on the strength of COSOL’s digital transformation expertise and capabilities.”

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

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 The contract contains standard industry terms similar to other contracts of this nature, including termination provisions regarding prime contract termination, performance failures, conflicts of interest and security breaches. There is no other information relevant to assessing the impact of the contract on the price or value of COSOL’s securities.