19 August 2026

**ASX ANNOUNCEMENT**

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**COSOL LIMITED - Financial Results for the full-year ended 30 June 2026.**

In accordance with the Listing Rules, please find enclosed for immediate release to the market:

a) Appendix 4E – Full-Year Report;

b) Operating and Financial Review for the full-year ended 30 June 2026, together with Directors' Report;

c) Financial Report.

COSOL will conduct an analyst briefing on its 2026 full-year results from 11am AEST.

This announcement has been authorised for lodgment by COSOL's Board of Directors.

Yours sincerely

Mark Anning

**Mark Anning**
Company Secretary
COSOL Limited
0438 079037

# APPENDIX 4E

Preliminary final report



## 1. Company Details

| | |
|---|---|
| Name of entity: | COSOL Limited |
| ABN: | 66 635 371 363 |
| Reporting period: | For the year ended 30 June 2026 |
| Previous period: | For the year ended 30 June 2025 |

## 2. Results for announcement to the market

| | | | | $ |
|---|---|---|---|---|
| Revenues from ordinary activities | down | 15.6% | to | 98,578,846 |
| Loss from ordinary activities after tax attributable to the owners of COSOL Limited | down | 150.9% | to | (4,021,327) |
| Loss for the year attributable to the owners of COSOL Limited | down | 150.9% | to | (4,021,327) |

**Comments**
The loss for the consolidated entity after providing for income tax amounted to $4,021,327 (30 June 2025: profit of $7,894,220).

## 3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---|---|
| Net tangible assets per ordinary security | (4.77) | (8.23) |

## 4. Dividends

No dividends were declared in the current financial year.

## 5. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

The results for COSOL Americas Inc (previously AddOns Inc) are prepared in accordance with Australian Accounting Standards (AAS).

# APPENDIX 4E CONTINUED



## 6. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

## 7. Attachments

*Details of attachments (if any):*

The Annual Financial Report of COSOL Limited for the year ended 30 June 2026 is attached.

## 8. Signed

Signed ______________________ Date: 18 August 2026

**Geoffrey Lewis**
**Chairman**

COSOL

# COSOL Limited
## Annual Financial Report - 30 June 2026

ABN 66 635 371 363

WHEN
RELIABILITY
MATTERS


bsi
ISO/IEC
27001
Information Security
Management
CERTIFIED
IS 837459

# CORPORATE DIRECTORY



## Directors

Geoffrey Lewis - Non-Executive Chairman

Stephen Johnston - Non-Executive Director

Gerald Strautins - Non-Executive Director

Scott McGowan - Managing Director and Chief Executive Officer

## Company secretary

Mark Anning - Company Secretary

## Key management

Scott McGowan - Managing Director and Chief Executive Officer

Anthony Stokes - Chief Finance Officer and Chief Operating Officer

## Registered office
## Principal place of business

Level 3, 490 Adelaide Street
Brisbane QLD 4000

Telephone 1300 884 507

## Share registry

### MUFG Corporate Markets

10 Eagle Street
Brisbane QLD 4000

Website: www.mpms.mufg.com

## Auditor

### Elderton Audit Pty Ltd

Level 32, 152 St Georges Terrace
Perth WA, 6000

## Securities exchange listing

COSOL Limited shares are listed on the Australian Securities Exchange (ASX code: COS)

www.asx.com.au

## Website

www.cosol.global

## Incorporation

Incorporated in Australia as a public company limited by shares

ACN: 635 371 363

ABN: 66 635 371 363

# DIRECTORS' REPORT

30 June 2026



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of COSOL Limited (referred to hereafter as the 'company', 'parent entity' or 'COSOL') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

## Directors

The following persons were Directors of COSOL Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Geoffrey James Lewis (Chairman)
Stephen Edward Oliver Johnston
Gerald Peter Strautins
Scott Evatt McGowan (Managing Director and Chief Executive Officer)

Particulars of their qualifications, experience, special responsibilities and any directorships of other listed companies held within the last three years are set out below.

### Geoffrey Lewis

#### Non-Executive Chairman

Geoffrey has over 30 years' experience in the global delivery of IT services and outsourcing. He established ASG Group Limited (formerly ASX listed, ASX: ASZ), an IT business solutions provider, in 1996 and was its Managing Director until it was acquired in late 2016 for $350 million by Japanese multinational IT services and consulting business Nomura Research Institute, Ltd.

In addition to this role with the Group, Geoffrey is a director of Stepchange Holdings Limited.

Geoffrey was appointed as a director on 10 September 2019.

### Stephen Johnston, CA

#### Non-Executive Director

Stephen has significant international experience in investment, corporate finance, mergers and acquisitions and commercial management gained over 40 years in Australian industrial and investment organisations.

Stephen was the managing director and founder shareholder of Schutz DSL Group, an industrial packaging group with operations in Australia and South-East Asia, and was an independent non-executive director of ASG Group Limited.

Stephen was appointed as director on 10 September 2019 and is Chairman of the Audit Committee.

### Gerald Strautins

#### Independent Non-Executive Director

Gerald has extensive executive, mergers and acquisitions, consulting, programme and business management experience, with particular strength in formulating, implementing and managing strategic managed service/outsourcing operations and transformation initiatives.

Gerald gained his strategic business consultancy and corporate management experience through extensive work in Australia, Europe and Asia. He was the Executive - Strategy and M&A of ASG Group Limited, and was responsible for the strategic direction of the organisation, while also completing in excess of $500 million in mergers and transactions.

Gerald was appointed as a director on 4 October 2019 and is Chairman of the Remuneration & Nomination Committee, Member of the Audit Committee and Chair of the Risk Committee.

### Scott McGowan

#### Managing Director / Chief Executive Officer

Appointed as CEO in 2016, and Managing Director in 2024, under Scott's leadership COSOL has experienced significant growth and transformation, both before and after its successful IPO. His strategic acumen and innovative approach have been pivotal in steering the company through critical stages of expansion and market adaption.

Before joining COSOL, Scott amassed extensive experience in senior executive roles in start-ups and multinational corporations across various industries, honing his skills in strategic planning, operational efficiency, and organisation development. Scott brings a hands-on leadership style, dedication to team development, and passion for leveraging technology, with a focus on enhancing core operations, fostering a culture of innovation, and exploring new market opportunities.

# DIRECTORS' REPORT CONTINUED



## Directors' interests in shares and options of COSOL

The Directors hold relevant interests in the following shares and other securities of COSOL as at the date of this Directors' Report:

| Director | Shares | Options |
|---|---|---|
| G Lewis | 25,153,595 | - |
| S Johnston | 25,653,595 | - |
| G Strautins | 3,000,000 | - |
| S McGowan | 5,200,046 | 3,000,000 |
| | **59,007,236** | **3,000,000** |

## Principal activities

During the financial year the principal continuing activities of the consolidated entity were the provision of information technology services.

The consolidated entity utilises proprietary software and services to deliver solutions for clients operating in asset-intensive industries, with a particular focus on resource and capital-intensive enterprise asset management (EAM) and infrastructure focused systems.

The consolidated entity aims to optimise business processes and reduce business expenditure for its clients by providing digital business solutions, including business process and strategic reviews, implementation of enterprise resource planning (ERP)/EAM solutions, data migration and ongoing support services.

## Dividends

No dividends were declared in the current financial year.

Dividends paid during the financial year were as follows:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Fully franked interim dividend for the year ended 30 June 2026 of nil (2025: $0.01) per ordinary share | - | 1,819,888 |
| Fully franked final dividend for the year ended 30 June 2025 of $0.01168 (2024: $0.0139) per ordinary share | 2,125,629 | 2,466,664 |
| | 2,125,629 | 4,286,552 |

# DIRECTORS' REPORT CONTINUED



## Operational overview

The loss for the consolidated entity after providing for income tax amounted to $4,021,327 (30 June 2025: profit of $7,894,220).

A review of the operations of the consolidated entity during the financial year is set out below:

Key highlights include:

- Following weaker performance in H1 FY26, management focused on resetting the business's cost base, delivering a recovery in gross margin and a reduction in operating expenses in H2 FY26. In addition, we have begun rebuilding our sales capacity and redesigning / improving our service offerings to maximise market opportunities.
- FY26 underlying EBITDA of $9.8m reflects a turnaround in performance during H2 FY26 which delivered an underlying EBITDA of $6.3m, underpinned by cost base improvements that drove a recovery in consulting margins.
- Secured significant new contracts in digital and data services, underpinned by our Transport Information Suite supporting large-scale mass transportation assets - one in Canada and one in Australia.
- Supported the Department of Transport and Planning Victoria as part of the Victorian Transport Digital Engineering program, implementing IBM Maximo within an industry-leading, connected ecosystem of digital engineering and asset information that went live in April 2026. This represents phase 2 of a multi-phase program, and COSOL looks forward to continuing to support this digital journey.
- Commenced our first large-scale IBM Maximo EAMaaS implementation in North America with a major US east coast port authority. The initial engagement will modernise core systems through IBM Maximo and RPConnect-enabled data migration, with a follow-on Managed Services arrangement.
- Launched COSolve, our in-house AI capability built on the Claude platform, incorporating security controls and enablers to improve efficiencies across the business.
- Undertook a number of large-scale advisory consulting engagements sourced from asset management services work, reflecting continued momentum in our volume-to-value strategy.

## Significant changes in the state of affairs

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

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Likely developments and expected results of operations

The Directors and management of the consolidated entity intend to continue operations as conducted during the financial year and in a manner consistent with the consolidated entity's business model and growth strategy (which includes organic and acquisitive growth).

The entity's operations are centred around the management of physical assets for its customers, with the aim of enhancing the performance and lifespan of these assets while simultaneously eradicating inefficiencies with the aim of decreasing maintenance and repair costs, limiting downtime, and achieving the highest return on investment. For the year ended 30 June 2026, 60.5% of the entity's revenue was derived from advisory and professional services, 17.5% from products and product-led services, and 22.0% from managed services. Clients in the natural resources sector contributed approximately 51% of revenue for the year, with the remaining clientele operating across utilities, government, defence, and public infrastructure sectors. From a geographical standpoint, 87% of the entity's revenue for the year originated from our Australian operations, while the US operations contributed the remaining 13%.

# DIRECTORS' REPORT CONTINUED



The entity's relationships with its customers and suppliers are governed by its contractual arrangements with those parties. Any failure to maintain, renew or replace key contracts and arrangements on commercially acceptable terms, or any failure by a party to perform its obligations under such contracts or arrangements, could have a material adverse effect on the Company and the financial and operational performance of the entity.

The Directors and management of the consolidated entity intend on growing the entity both organically and, as opportunities present themselves, through potential acquisitions of complementary and synergistic businesses.

While the entity will attempt to undertake all reasonable and appropriate due diligence in respect of any acquisition opportunities, there is a risk that the due diligence and analysis may be incomplete or inaccurate, warranties or indemnities cannot be obtained, or that the benefits and synergies the entity anticipates receiving from such acquisitions may not be realised due to a variety of factors.

## Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Economic, Environment and Social Sustainability Risks

The consolidated entity does not consider that it has any material exposures to environmental and social sustainability risks.

COSOL's IPO prospectus disclosed the risks that may have a material impact on its financial performance and the market price for its shares. This disclosure included possible material exposure to a decline in economic conditions and the general economic outlook.

## Company Secretary

Mark Anning is the Company Secretary. Mark is an accomplished General Counsel and Company Secretary with 25+ years of experience in legal, corporate advisory, company secretarial and governance. His career spans leadership at Partner level, and direct reporting to CEO's in ASX and NASDAQ corporations, combining deep legal expertise with strategic business insights. Mark holds a LLB(Hons), Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

## Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

| | Board | Board | Audit | Audit | Remuneration and Nomination | Remuneration and Nomination | Risk | Risk |
|---|---|---|---|---|---|---|---|---|
| **Director** | M | A | M | A | M | A | M | A |
| G Lewis | 11 | 11 | - | - | - | - | - | - |
| S McGowan | 11 | 11 | - | 2 | - | - | - | - |
| S Johnston | 11 | 11 | 4 | 4 | 2 | 2 | 2 | 2 |
| G Strautins | 11 | 11 | 4 | 4 | 2 | 2 | 2 | 2 |

Chair
Member
M The number of meetings held during the period the Director was a member of the Board and/or Committee.
A The number of meetings attended by the Director during the period the Director was a member of the Board and/or Committee.

# REMUNERATION REPORT (AUDITED)



The remuneration report details the key management personnel (KMP) remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The key management personnel of the consolidated entity during the financial year were the Directors of the Company, and the Chief Executive Officer and Chief Financial Officer and Chief Operating Officer of COSOL Australia Pty Ltd.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Statutory performance indicators

## Principles used to determine the nature and amount of remuneration

The remuneration policy of the consolidated entity has been designed to align KMP objectives with shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas regarding the consolidated entity's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the consolidated entity, as well as create alignment between the goals and interests of Directors, management and shareholders.

Remuneration levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and management for the consolidated entity. The remuneration structures are designed to attract suitably qualified candidates, fairly and responsibly reward the achievement of strategic and financial performance objectives, and incentivise the creation of value for shareholders. The remuneration mix for KMP includes fixed compensation, short and long term incentives (including equity-based compensation) and superannuation contributions, except that non-executive Directors do not receive equity-based compensation.

The Company's Nomination and Remuneration Committee reviews compensation levels on an annual basis which considers the individual performance of KMP and the performance of the consolidated entity. The Nomination and Remuneration Committee may engage external consultants to provide advice on remuneration matters and to assist it in making remuneration decisions. No external remuneration consultant was engaged during the financial year.

The consolidated entity has designed separate and distinct remuneration structures for non-executive Directors and other KMP (including executive Directors).

# REMUNERATION REPORT (AUDITED) CONTINUED



## Non-Executive Directors

The consolidated entity's policy is to remunerate non-executive Directors based on market practices, duties and accountability, with independent external advice sought when required. The fees paid to non-executive Directors is reviewed annually, and the current maximum aggregate amount of fees that can be paid to non-executive Directors is $600,000 per annum which can be increased only with prior shareholder approval. The non-executive Directors do not receive additional fees for serving on committees of the Board, and are not entitled to any termination benefits or retirement (other than superannuation) benefits.

## Other KMP (including Executive Directors)

The Board's policy for determining the nature and amount of remuneration for other KMP including executive Directors is to reward those personnel based on their position and responsibility, subject to annual reviews. The remuneration structure includes fixed base pay, short term incentives, long term incentives (including equity-based compensation), and other remuneration such as superannuation and long service leave.

This structure implements the consolidated entity's practice of directly linking incentive components of the remuneration of KMP and other management personnel to the performance of the consolidated entity through total shareholder return, EBITDA, EBIT and return on capital measures, and is designed to ensure sustainable business practices, and continued and sustainable growth in the consolidated entity's business, financial and share price performance.

## Remuneration Report Approval

This Remuneration Report for the financial year ended 30 June 2026 will be put to shareholders for approval at COSOL's AGM which will be held during November 2026.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 18 November 2021, where the shareholders approved a maximum annual aggregate remuneration of $600,000.

# REMUNERATION REPORT (AUDITED) CONTINUED

## Details of remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Other | |
|---|---|---|---|---|---|---|---|---|
| **2026** | **Cash salary and fees $** | **Cash bonus $** | **Non-monetary $** | **Super-annuation $** | **Long-service leave $** | **Equity-settled $** | **Termination benefits $** | **Total $** |
| **Non-Executive Directors:** | | | | | | | | |
| G Lewis | 100,000 | - | - | 12,000 | - | - | - | 112,000 |
| S Johnston | 70,000 | - | - | 8,400 | - | - | - | 78,400 |
| G Strautins | 70,000 | - | - | 8,400 | - | - | - | 78,400 |
| **KMP:** | | | | | | | | |
| S McGowan | 570,000 | - | - | 30,000 | - | 113,249 | - | 713,249 |
| A Stokes | 428,331 | 100,000 | 31,669 | 30,000 | - | - | - | 590,000 |
| M Glasner** | - | - | - | - | - | - | 365,129 | 365,129 |
| | 1,238,331 | 100,000 | 31,669 | 88,800 | - | 113,249 | 365,129 | 1,937,178 |

** M Glasner ceased to act as Chief Operating Officer and left the employment of COSOL on 1 July 2025.

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Other | |
|---|---|---|---|---|---|---|---|---|
| **2025** | **Cash salary and fees $** | **Cash bonus $** | **Non-monetary $** | **Super-annuation $** | **Long-service leave $** | **Equity-settled $** | **$** | **Total $** |
| **Non-Executive Directors:** | | | | | | | | |
| G Lewis | 100,000 | - | - | 11,500 | - | - | - | 111,500 |
| S Johnston | 70,000 | - | - | 8,050 | - | - | - | 78,050 |
| G Pestell* | 32,083 | - | - | - | - | - | - | 32,083 |
| G Strautins | 70,000 | - | - | 8,050 | - | - | - | 78,050 |
| **KMP:** | | | | | | | | |
| B Buckley* | 350,000 | - | - | - | - | 23,589 | - | 373,589 |
| S McGowan | 572,500 | 151,879 | - | 30,000 | - | 78,685 | - | 833,064 |
| A Stokes | 422,500 | 130,000 | - | 30,000 | - | 18,220 | - | 600,720 |
| M Glasner | 447,500 | 138,125 | - | 30,000 | - | 18,098 | - | 633,723 |
| | 2,064,583 | 420,004 | - | 117,600 | - | 138,592 | - | 2,740,779 |

* B Buckley resigned as Managing Director effective 14 November 2024.

* G Pestell retired as Non-Executive Director effective 14 November 2024.

The bonuses above are calculated on a cash basis.

# REMUNERATION REPORT (AUDITED) CONTINUED



## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|---|---|
| **Name:** | Scott McGowan |
| **Title:** | Managing Director and Chief Executive Officer |
| **Agreement commenced:** | 16 January 2020 |
| **Term of agreement:** | Until agreement is validly terminated in accordance with its terms |
| **Details:** | **Notice period:** either party may terminate the agreement without cause by providing the other party with no less than 6 months' written notice. Mr McGowan may terminate if a material breach of the agreement by COSOL Australia is not remedied within 14 days of receiving notice. COSOL Australia may terminate the agreement with no less than 3 months' written notice where Mr McGowan is absent for more than 3 months in any rolling 12 month period, or immediately with cause in circumstances considered standard for agreements of this nature in Australia, including serious or persistent breaches of the agreement, grave misconduct or wilful neglect in the discharge of his duties under the agreement.<br><br>**Salary:** $600,000 per annum (inclusive of statutory superannuation).<br><br>**Cash short-term performance-based incentive:** up to $225,000 per annum (inclusive of statutory superannuation), payable on the following terms:<br>• 50% incentive payment based on delivery of annual Group EBIT target; and<br>• 50% incentive payment based on delivery of the Group EPS target.<br><br>**Expenses:** The consolidated entity will reimburse Mr McGowan for all reasonable expenses incurred by him in the performance of his duties in connection with the consolidated entity.<br><br>**Leave:** The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature. |

| | |
|---|---|
| **Name:** | Anthony Stokes |
| **Title:** | Chief Financial Officer and Chief Operating Officer |
| **Agreement commenced:** | 1 August 2022 |
| **Term of agreement:** | Until agreement is validly terminated in accordance with its terms |
| **Details:** | **Notice period:** either party can terminate this agreement by giving 3 months' written notice. COSOL can terminate the agreement immediately for a material breach of the agreement.<br><br>**Salary:** $530,000 per annum (inclusive of statutory superannuation).<br><br>**Cash short-term incentives:** up to $200,000 per annum (inclusive of statutory superannuation), payable on the following terms:<br>• 50% incentive payment based on delivery of annual Group EBIT target; and<br>• 25% incentive payment based on delivery of the performance segment EBIT Target; and<br>• 25% incentive payment based on employee and customer satisfaction. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

# REMUNERATION REPORT (AUDITED) CONTINUED



The Company has entered into agreements with its Directors, and agreed the following remuneration:

| Director | Annual remuneration inclusive of superannuation |
|---|---|
| G Lewis | 112,000 |
| S Johnston | 78,400 |
| G Strautins | 78,400 |
| | 268,800 |

The Directors each serve until retirement, subject to re-election as required by the Company's constitution and the Corporations Act 2001.

## Share-based compensation

### Issue of shares

There were no ordinary shares issued to Directors or key management personnel as a result of the exercise of options in the current or prior financial year.

### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|---|---|---|---|---|---|---|
| A Stokes | 800,000 | 30 June 2023 | 15 October 2023 | 1 August 2026 | $0.8300 | $54,658 |
| A Stokes | 600,000 | 30 June 2023 | 15 October 2024 | 1 August 2026 | $0.8300 | $40,994 |
| M Glasner | 800,000 | 30 June 2023 | 15 October 2023 | 1 August 2026 | $0.8900 | $37,253 |
| M Glasner | 600,000 | 30 June 2023 | 15 October 2024 | 1 August 2026 | $0.8900 | $38,685 |
| S McGowan | 1,000,000 | 29 January 2024 | 31 August 2024 | 1 August 2027 | $1.2200 | $54,100 |
| S McGowan | 1,000,000 | 29 January 2024 | 31 August 2025 | 1 August 2027 | $1.2200 | $60,975 |
| S McGowan | 1,000,000 | 29 January 2024 | 31 August 2026 | 1 August 2027 | $1.2200 | $59,782 |

Options granted carry no dividend or voting rights. The key terms, including performance conditions, of the options granted are detailed below.

#### Mr McGowan

***Performance milestones:***

- 20% of each tranche based on total shareholder return indexed against the ASX Small Industrials Index (50% vest if TSR equals the Index, and an additional 4% vest for each 1% by which the TSR exceeds the Index);
- 40% of each tranche based on achieving strategic initiatives as defined by the Board (including non-financial measures) (4% vest for each percentile achieved above the 75th percentile); and
- 40% of each tranche based on achieving budgeted EBIT and ROC for COSOL Limited (4% vest for each percentile achieved above the 75th percentile).

***Clawback***

The Board reserves the right to "claw back" vested options in the event that material errors in satisfaction of performance milestones are discovered.

# REMUNERATION REPORT (AUDITED) CONTINUED



## Mr Stokes

The option holder must remain employed by COSOL and its related companies. Any options which do not vest will automatically lapse.

***Performance milestones:***

- 50% of each tranche based on total shareholder return indexed against the ASX Small Industrials Index (50% vest if TSR equals the Index, and an additional 4% vest for each 1% by which the TSR exceeds the Index); and
- 50% of each tranche based on COSOL Limited achieving budgeted ROC (4% vest for each percentile achieved above the 75th percentile).

***Clawback***

The Board reserves the right to "claw back" vested options in the event that material errors in satisfaction of performance milestones are discovered.

The performance milestones applicable to the LTI options granted to KMP during the financial year were chosen because they create an appropriate link between the KMP's remuneration and the performance of the consolidated entity, and deliver on an objective of encouraging continued and sustainable growth in the consolidated entity's business, financial and share price performance.

In respect of TSR, the ASX Small Industrials Index, as an external factor for determining satisfaction of a performance milestone, was chosen as it is an index containing a number of peer companies in the IT sector and companies of a size and financial performance that the consolidated entity is striving to achieve.

***Performance rights***

There were 1,600,000 performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

Performance rights were allocated to executives under the ELT 2025 Performance rights after the 2025 AGM and are subject to a three-year performance period

| Name | Number of performance rights | Performance hurdle | Vesting date | Exercise price | Fair value at grant date |
|---|---|---|---|---|---|
| S McGowan | 320,000 | FY26 ROIC | 30 June 2028 | $0.4308 | $82,714 |
| S McGowan | 320,000 | FY26 ROIC | 30 June 2028 | $0.4308 | $82,714 |
| S McGowan | 320,000 | FY26 ROIC | 30 June 2028 | $0.4308 | $82,714 |
| S McGowan | 640,000 | TSR v ASX Index | 30 June 2028 | $0.3060 | $195,840 |

## Performance milestones:

Performance Rights are subject to performance hurdle vesting conditions as follows:

i) 60% of Performance Rights granted: will vest subject to the Company achieving its budgeted return on invested capital (ROIC) for the relevant financial year. These will be awarded on the basis of 50% vest if 80% of the ROIC hurdle is achieved, with straight-line awarding of 2.5% for each percent above 80% up to 100%.

ii) 40% of Performance Rights granted: will vest subject to the Company achieving a total shareholder return over financial years ending 30 June 2026, 30 June 2027 and 30 June 2028 (inclusive) equal to or greater than 150% of the ASX Small Industrial Index total shareholder return over the same period (TSR v ASX Index). Company TSR Performance vs ASX Small Industrials Index TSR – Below 50th percentile 0% (no vesting) / At or above 50th percentile 100% vesting.

# DIRECTORS' REPORT CONTINUED



### Valuation methodology:

The Hoadley's ESO1 Model was used (1a Hybrid ESO model – Single Share Price Target or 1b Hybrid ESO model – Single Share Price Target Consec Days), which involved a Monte Carlo simulation and was dependent on the relevant performance conditions. In relation to the TSR Performance Rights, the Hoadley's Hybrid ESO Model was applied, also incorporating a Monte Carlo simulation, with implied share price targets for the rights.

### Expiry date:

Each Performance Right will expire on 31 December 2028. Performance Rights that are not exercised before the Expiry Date will lapse.

## Statutory performance indicators

The table below shows measures of the Group's financial performance over the past five years as required by the Corporations Act 2001. However, these measures are not all consistent with the measures used in determining the variable amounts of remuneration to be awarded to executive KMP. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded to executive KMP.

| | FY26 | FY25 | FY24 | FY23 | FY22 |
|---|---|---|---|---|---|
| Revenue | $98,549,696 | $116,807,702 | $101,933,163 | $75,102,347 | $48,236,369 |
| Profit/(loss) after income tax expense from continuing operations | ($4,021,327) | $7,894,220 | $8,519,407 | $7,986,327 | $5,532,775 |
| Dividends declared per ordinary share - final | - | $0.01168 | $0.0139 | $0.0146 | $0.0100 |
| Dividends declared per ordinary share - interim | - | $0.0100 | $0.0100 | $0.0100 | $0.0092 |
| Dividends paid | $2,125,629 | $4,286,552 | $4,303,005 | $2,951,594 | $2,633,567 |
| Reported basic EPS from continuing operations | ($0.221) | $0.0439 | $0.0498 | $0.0543 | $0.0401 |

**This concludes the Remuneration Report, which has been audited.**

# Shares under option

Unissued ordinary shares of COSOL Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Excerise price | Number under option |
|---|---|---|---|
| 30 June 2023 | 1 August 2026 | $0.8300 | 1,400,000 |
| 30 June 2023 | 1 August 2026 | $0.8900 | 1,400,000 |
| 29 January 2024 | 1 August 2027 | $1.2200 | 3,000,000 |
| | | | **5,800,000** |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

# DIRECTORS' REPORT CONTINUED



## Shares under performance rights

There were 1,817,924 unissued ordinary shares of COSOL Limited under performance rights outstanding at 30 June 2026.

Unissued ordinary shares of COSOL Limited under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Excerise price | Number under rights |
|---|---|---|---|
| 1 July 2024 | 30 June 2029 | $0.0000 | 314,901 |
| 27 November 2025 | 31 December 2028 | $0.0000 | 1,600,000 |
| | | | 1,914,901 |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

1,600,000 performance rights were issued to Scott McGowan following approval at last year's AGM. These are held by SNJ Business Solutions Pty Ltd an entity in which Mr McGowan is a director and shareholder.

## Shares issued on the execise of options

There were no ordinary shares issued to Directors or key management personnel as a result of the exercise of options in the current or prior financial year.

## Movements in securities held

The movements in FY26 in the number of securities held in COSOL held directly, indirectly or beneficially by Non-Executive Directors and executive KMP, including their related parties is detailed below.

| | | Held at 1 July 2025 | Issued/ Acquired/ Granted | Exercised | Disposed | Exired/ Other | Held at 30 June 2026 |
|---|---|---|---|---|---|---|---|
| **Non-Executive Directors:** | | | | | | | |
| G Lewis | Shares | 24,903,595 | 250,000 | - | - | - | 25,153,595 |
| | Options | - | - | - | - | - | - |
| S Johnston | Shares | 24,903,595 | 750,000 | - | - | - | 25,653,595 |
| | Options | - | - | - | - | - | - |
| G Strautins | Shares | 3,000,000 | - | - | - | - | 3,000,000 |
| | Options | - | - | - | - | - | - |
| **KMP:** | | | | | | | |
| S McGowan | Shares | 5,200,046 | - | - | - | - | 5,200,046 |
| | Options | 3,000,000 | - | - | - | - | 3,000,000 |
| | Performance Rights | - | 1,600,000 | - | - | - | 1,600,000 |
| A Stokes | Shares | - | - | - | - | - | - |
| | Options | 2,000,000 | - | - | - | (600,000) | 1,400,000 |

# DIRECTORS' REPORT CONTINUED



## Shares issued on the exercise of performance rights

There were no ordinary shares of COSOL Limited issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

## Indemnity and insurance of officers

The company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## 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.

## 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.

## Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

# DIRECTORS' REPORT CONTINUED



## 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.

## Auditor

Elderton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

## Directors' Resolution

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**

18 August 2026

# AUDITOR'S INDEPENDENCE DECLARATION



ELDERTON
AUDIT PTY LTD

## Auditor's Independence Declaration

To those charged with the governance of COSOL Limited

As auditor for the audit of COSOL Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of COSOL Limited and the entities it controlled during the year.

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Elderton Audit Pty Ltd

**Elderton Audit Pty Ltd**

**Sajjad Cheema**
Director

18 August 2026
Perth

# FINANCIAL REPORT




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## General information

The financial statements cover COSOL Limited as a consolidated entity consisting of COSOL Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is COSOL Limited's functional and presentation currency.

COSOL Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Registered office and principal place of business**

Level 3, 490 Adelaide Street,
Brisbane QLD 4000
Telephone 1300 884 507

A description of the nature of the consolidated entity'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 18 August 2026. The Directors have the power to amend and reissue the financial statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

| | | *Consolidated* | |
|---|---|---|---|
| | **Note** | **2026 $** | **2025 $** |
| **Revenue** | 4 | 98,549,696 | 116,807,702 |
| Other income | 5 | 7,183 | 2,248 |
| Interest income | | 29,150 | 6,619 |
| **Expenses** | | | |
| Cost of Sales | | (69,010,824) | (79,716,542) |
| Depreciation and amortisation expense | 6 | (3,954,539) | (2,979,524) |
| Salaries & Wages | | (14,474,022) | (13,164,920) |
| Share based payments | | 130,263 | 162,124 |
| Operating and General Expenses | | (6,658,025) | (8,305,870) |
| Finance costs | | (1,910,319) | (1,816,221) |
| Goodwill impairment | 14 | (11,000,000) | - |
| Gain on contingent consideration | 21 | 4,500,000 | - |
| **Profit/(loss) before income tax expense** | | **(3,791,437)** | **10,995,616** |
| Income tax expense | 7 | (229,890) | (3,101,396) |
| **Profit/(loss) after income tax expense for the year attributable to the owners of COSOL Limited** | 29 | **(4,021,327)** | **7,894,220** |
| **Other comprehensive income** | | | |
| *Items that are or may be reclassified subsequently to profit or loss* | | | |
| Foreign currency translation | | (667,363) | 113,085 |
| Other comprehensive income for the year, net of tax | | (667,363) | 113,085 |
| **Total comprehensive income for the year attributable to the owners of COSOL Limited** | | **(4,688,690)** | **8,007,305** |

| | | **Cents** | **Cents** |
|---|---|---|---|
| Basic earnings per share | 40 | (2.21) | 4.39 |
| Diluted earnings per share | 40 | (2.11) | 4.09 |

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

| | Note | Consolidated 2026 $ | Consolidated 2025 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash or cash equivalents | 8 | 5,300,285 | 6,089,880 |
| Trade and other receivables | 9 | 18,314,950 | 18,191,185 |
| Inventories | 10 | - | 15,000 |
| Prepayments and other receivables | 11 | 8,378,692 | 8,115,211 |
| **Total current assets** | | **31,993,927** | **32,411,276** |
| **Non-current assets** | | | |
| Property, plant and equipment | 12 | 797,298 | 745,172 |
| Right-of-use assets | 13 | 5,174,205 | 6,066,967 |
| Intangibles | 14 | 79,215,163 | 92,282,114 |
| Deferred tax | 15 | 2,316,298 | 1,767,847 |
| **Total non-current assets** | | **87,502,964** | **100,862,100** |
| **Total assets** | | **119,496,891** | **133,273,376** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 16 | 4,388,443 | 2,217,767 |
| Bank loans | 17 | 1,475,000 | 2,950,000 |
| Lease liabilities | 18 | 724,070 | 662,109 |
| Income tax | 19 | - | 227,723 |
| Employee benefits | 20 | 3,113,132 | 2,996,667 |
| Contingent consideration | 21 | 2,000,000 | 1,729,850 |
| Accrued and other liabilities | 22 | 10,370,584 | 10,949,584 |
| **Total current liabilities** | | **22,071,229** | **21,733,700** |
| **Non-current liabilities** | | | |
| Bank loans | 23 | 21,812,280 | 22,937,280 |
| Lease Liabilities | 24 | 5,061,978 | 5,808,217 |
| Deferred tax | 25 | 635,140 | 777,183 |
| Contingent consideration | 26 | - | 5,120,150 |
| **Total non-current liabilities** | | **27,509,398** | **34,642,830** |
| **Total liabilities** | | **49,580,627** | **56,376,530** |
| **Net assets** | | **69,916,264** | **76,896,846** |
| **Equity** | | | |
| Issued capital | 27 | 55,317,486 | 55,353,486 |
| Reserves | 28 | 142,377 | 940,003 |
| Retained profits | 29 | 14,456,401 | 20,603,357 |
| **Total equity** | | **69,916,264** | **76,896,846** |

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

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

| Consolidated | Issue capital $ | Share based payment reserve $ | Foreign exchange reserve $ | Retained profits $ | Total equity $ |
|---|---|---|---|---|---|
| Balance at 1 July 2024 | 51,389,486 | 760,068 | 228,974 | 16,995,689 | 69,374,217 |
| Profit after income tax expense for the year | - | - | - | 7,894,220 | 7,894,220 |
| Other comprehensive income for the year, net of tax | - | - | 113,085 | - | 113,085 |
| **Total comprehensive income for the year** | - | - | **113,085** | **7,894,220** | **8,007,305** |
| *Transactions with owners in their capacity as owners:* | | | | | |
| Contributions of equity, net of transaction costs (note 27) | 4,000,000 | - | - | - | 4,000,000 |
| Share-based payments (note 41) | - | (162,124) | - | - | (162,124) |
| Adjustment to tax on listing fees for equity issue | (36,000) | - | - | - | (36,000) |
| Dividends paid (note 30) | - | - | - | (4,286,552) | (4,286,552) |
| **Balance at 30 June 2025** | **55,353,486** | **597,944** | **342,059** | **20,603,357** | **76,896,846** |

| Consolidated | Issue capital $ | Share based payment reserve $ | Foreign exchange reserve $ | Retained profits $ | Total equity $ |
|---|---|---|---|---|---|
| Balance at 1 July 2025 | 55,353,486 | 597,944 | 342,059 | 20,603,357 | 76,896,846 |
| Loss after income tax expense for the year | - | - | - | (4,021,327) | (4,021,327) |
| Other comprehensive income for the year, net of tax | - | - | (667,363) | - | (667,363) |
| **Total comprehensive income for the year** | - | - | **(667,363)** | **(4,021,327)** | **(4,688,690)** |
| *Transactions with owners in their capacity as owners:* | | | | | |
| Share-based payments (note 41) | - | (130,263) | - | - | (130,263) |
| Adjustment to tax on listing fees for equity issue | (36,000) | - | - | - | (36,000) |
| Dividends paid (note 30) | - | - | - | (2,125,629) | (2,125,629) |
| **Balance at 30 June 2026** | **55,317,486** | **467,681** | **(325,304)** | **14,456,401** | **69,916,264** |

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

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2026



| | Note | Consolidated 2026 $ | Consolidated 2025 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | 112,472,087 | 126,223,159 |
| Payments to suppliers and employees (inclusive of GST) | | (103,273,402) | (112,789,168) |
| | | 9,198,685 | 13,433,991 |
| Interest received | | 29,150 | 6,619 |
| Other revenue | | 7,183 | 2,248 |
| Interest and other finance costs paid | | (1,910,319) | (1,816,221) |
| Income taxes paid | | (1,148,107) | (4,023,810) |
| Net cash from operating activities | 39 | 6,176,592 | 7,602,827 |
| **Cash flows from investing activities** | | | |
| Payment for purchase of business, net of cash acquired | 36 | - | (7,608,886) |
| Final payments for prior period's business acquisition | 21 | (350,000) | (1,350,000) |
| Payments for property, plant and equipment | 12 | (364,704) | (221,277) |
| Payments for intangibles | 14 | (714,268) | (1,339,836) |
| Net cash used in investing activities | | (1,428,972) | (10,519,999) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 350,000 | 9,762,280 |
| Repayment of bank loans | | (2,950,000) | (2,525,000) |
| Repayment of lease liabilities | | (697,790) | (532,320) |
| Share issue transaction costs | | (36,000) | (36,000) |
| Dividends paid | 30 | (2,125,629) | (4,286,552) |
| Net cash from/(used in) financing activities | | (5,459,419) | 2,382,408 |
| Net decrease in cash and cash equivalents | | (711,799) | (534,764) |
| Cash and cash equivalents at the beginning of the financial year | | 6,089,880 | 6,615,863 |
| Effects of exchange rate changes on cash and cash equivalents | | (77,796) | 8,781 |
| **Cash and cash equivalents at the end of the financial year** | 8 | **5,300,285** | **6,089,880** |

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2026

## Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

#### Historical cost convention

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

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of COSOL Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. COSOL Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

## Foreign currency translation

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

### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other sales taxes or duty. The following specific revenue recognition criteria must also be met before revenue is recognised:

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

1. **Identify the contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. **Identify the performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. **Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where any one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Revenue is recognised in the statement of profit or loss and other comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur and the revenue and costs, if applicable, can be measured reliably.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised in the profit or loss when significant risk and reward of ownership have been transferred to the customer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and amount of revenue can be measured reliably.

The Group assessed its revenue streams and the following measurement methods have been identified and adopted in the preparation of these financial statements:

| Revenue streams | Measurement methods |
|---|---|
| Sales of licenses | Revenue for licenses sold is recognised at a point in time |
| Set-up and support activities | Revenue is recognised for arrangements involving software including implementation support over time until the implementation services are completed |
| Maintenance services | Revenue is recognised throughout the period of the maintenance contract, i.e. over time |
| Consulting services | Revenue is recognised over the time spent on the provision of the consulting services |

## Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

## Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

COSOL Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Cash and cash equivalents

Cash and cash equivalents includes 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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

## Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

## Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line or diminishing value basis, as appropriate to the type of asset, to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Leasehold improvements | 3-10 years |
| Plant and equipment | 2-5 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

### Website

Significant costs associated with the development of the revenue generating aspects of the website, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

### Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life between 6 to 9 years.

## Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the Group. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

The increase in the provision resulting from the passage of time is recognised as a finance cost.

## Employee benefits

### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 moths of the reporting date are measured at the present value of expected future payments to be made in respect of services by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possibe, the estimated future cash outflows.

### Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option or right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option or right, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidation entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 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.

## Dividends

Dividends are recognised when declared during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

## Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of COSOL Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Share-based payments transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to the fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

## Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

## Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

## Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

## Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant change in circumstances.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Contingent consideration

The contingent consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 '*Business Combinations*'. Thereafter, at each reporting date, the contingent consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

## Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

# Note 3. Operating segments

## Identification of reportable operating segments

The consolidated entity is organised into three operating segments: Australian Consulting, Asset Management Services and Americas. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

## Intersegment transactions

Intersegment transactions were made at market rates. These transactions consist of consultancy services. Intersegment transactions are eliminated on consolidation.

## Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

## Major customers

During the year ended 30 June 2026 approximately 14% (2025: 15%) of the consolidated entity's external revenue was derived from sales to three major customers (2025: two major customers).

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Operating segment information

| Consolidated - 2026 | Australian Consulting $ | Asset Management Services $ | Americas $ | Total $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Sales to external customers | 54,889,650 | 30,714,014 | 12,946,032 | 98,549,696 |
| Interest revenue | 26,040 | 3,088 | 22 | 29,150 |
| **Total revenue** | **54,915,690** | **30,717,102** | **12,946,054** | **98,578,846** |
| **EBITDA** | **6,485,698** | **1,331,713** | **1,949,308** | **9,766,719** |
| Depreciation and amortisation | | | | (3,954,539) |
| Interest revenue | | | | 29,150 |
| Finance costs | | | | (1,910,319) |
| Goodwill impairment | | | | (11,000,000) |
| Gain on contingent consideration | | | | 4,500,000 |
| Restructure / acquisition costs | | | | (1,222,448) |
| **Loss before income tax expense** | | | | (3,791,437**)** |
| Income tax expense | | | | (229,890) |
| **Loss after income tax expense** | | | | **(4,021,327)** |
| **Assets** | | | | |
| Segment assets | 88,856,299 | 23,158,222 | 15,214,092 | 127,228,613 |
| Intersegment eliminations | | | | (7,731,722) |
| **Total assets** | | | | **119,496,891** |
| **Liabilities** | | | | |
| Segment liabilities | 53,559,994 | 1,759,153 | 1,993,202 | 57,312,349 |
| Intersegment eliminations | | | | (7,731,722) |
| **Total liabilities** | | | | **49,580,627** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



| Consolidated - 2025 | Australian Consulting $ | Asset Management Services $ | Americas $ | Total $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Sales to external customers | 63,195,287 | 41,557,646 | 12,054,769 | 116,807,702 |
| Interest revenue | 6,310 | 287 | 22 | 6,619 |
| **Total revenue** | **63,201,597** | **41,557,933** | **12,054,791** | **116,814,321** |
| **EBITDA** | **8,475,255** | **4,492,002** | **3,827,578** | **16,794,835** |
| Depreciation and amortisation | | | | (2,979,524) |
| Interest revenue | | | | 6,619 |
| Finance costs | | | | (1,816,221) |
| Restructure / acquisition costs | | | | (1,010,093) |
| **Profit before income tax expense** | | | | **10,995,616** |
| Income tax expense | | | | (3,101,396) |
| **Profit after income tax expense** | | | | **7,894,220** |
| **Assets** | | | | |
| Segment assets | 98,585,569 | 26,043,482 | 14,428,810 | 139,057,861 |
| Intersegment eliminations | | | | (5,784,485) |
| **Total assets** | | | | **133,273,376** |
| **Liabilities** | | | | |
| Segment liabilities | 59,012,738 | 1,313,718 | 1,834,559 | 62,161,015 |
| Intersegment eliminations | | | | (5,784,485) |
| **Total liabilities** | | | | **56,376,530** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 4. Revenue

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Rendering of services | 88,990,477 | 106,643,791 |
| Product sales | 9,559,219 | 10,163,911 |
| **Revenue** | **98,549,696** | **116,807,702** |

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| **Geographical regions** | | |
| Asia Pacific | 84,637,074 | 103,015,381 |
| North America | 13,884,427 | 13,371,610 |
| Europe, Middle East & Africa | - | 386,139 |
| Rest of world | 28,195 | 34,572 |
| | **98,549,696** | **116,807,702** |

## Note 5. Other income

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Reimbursement of expenses | 7,183 | 2,248 |

## Note 6. Depreciation and amortisation expense

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Depreciation on property, plant and equipment | 366,749 | 289,081 |
| Amortisation of right-of-use assets | 853,278 | 788,283 |
| Amortisation of website costs | 17,593 | 39,500 |
| Amortisation of software development | 2,283,107 | 1,629,327 |
| Amortisation of customer relations | 433,812 | 233,333 |
| | **3,954,539** | **2,979,524** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 7. Income tax expense

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| **Income tax expense** | | |
| Current tax | 956,094 | 3,681,636 |
| Deferred tax - origination and reversal of temporary differences | (725,679) | (549,170) |
| Under/(Over) Provision for Prior Year - current tax | (525) | (31,070) |
| **Aggregate income tax expense** | **229,890** | **3,101,396** |
| | | |
| **Numerical reconciliation of income tax expense and tax at the statutory rate** | | |
| Profit/(loss) before income tax expense | (3,791,437) | 10,995,616 |
| | | |
| Tax at the statutory rate of 30% | (1,137,431) | 3,298,685 |
| | | |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Entertainment expenses | 26,628 | 25,738 |
| Impairment of goodwill | 1,950,000 | - |
| Share-based payments | (39,079) | (48,637) |
| Deductible equity raising costs | (36,000) | (36,000) |
| Other costs | (374,034) | 10,134 |
| Acquisition adjustments | - | 149,240 |
| Deductible State Taxes | - | (4,551) |
| Unrealised foreign exchange loss | 1,422 | - |
| | 391,506 | 3,394,609 |
| | | |
| Under/(Over) Provision for Prior Year - current tax | (525) | (31,070) |
| Difference in overseas tax rates | (161,091) | (335,090) |
| Effects of differences in foreign exchange translation rate | - | 72,947 |
| **Income tax expense** | **229,890** | **3,101,396** |

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| **Amounts charged directly to equity** | | |
| Deferred tax assets (note 15) | 36,000 | 36,000 |

## Note 8. Cash and cash equivalents

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| Cash on hand | - | 221 |
| Cash at bank | 5,300,285 | 6,089,659 |
| | **5,300,285** | **6,089,880** |

# Note 9. Trade and other receivables

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| Trade receivables | 18,615,504 | 18,729,808 |
| Less: Allowance for expected credit losses | (300,554) | (538,623) |
| | **18,314,950** | **18,191,185** |

## Allowance for expected credit losses

The consolidated entity has recognised a gain of $238,069 (2025 gain: $207,320) in profit or loss for the year ended 30 June 2026 in relation to the expected credit losses.

Movements in the allowance for expected credit losses are as follows:

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| Opening balance | 538,623 | 745,943 |
| Unused amounts reversed | (238,069) | (207,320) |
| **Closing balance** | **300,554** | **538,623** |

# Note 10. Inventories

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| Stock on hand - at cost | - | 15,000 |

# Note 11. Prepayments and other receivables

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| Accrued revenue | 3,336,516 | 5,496,223 |
| Prepayments | 1,684,937 | 1,645,942 |
| Income tax receivable | 2,322,083 | - |
| Other current assets | 1,035,156 | 973,046 |
| | **8,378,692** | **8,115,211** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 12. Property, plant and equipment

| | Consolidated 2026 $ | Consolidated 2025 $ |
|---|---|---|
| Leasehold improvements - at cost | 88,979 | 71,503 |
| Less: Accumulated depreciation | (51,463) | (33,285) |
| | **37,516** | **38,218** |
| Fixtures and fittings - at cost | 85,457 | 88,271 |
| Less: Accumulated depreciation | (39,596) | (26,896) |
| | **45,861** | **61,375** |
| Computer equipment - at cost | 1,326,672 | 1,151,824 |
| Less: Accumulated depreciation | (816,986) | (627,987) |
| | **509,686** | **523,837** |
| Office equipment - at cost | 404,079 | 415,061 |
| Less: Accumulated depreciation | (331,912) | (303,936) |
| | **72,167** | **111,125** |
| Low value asset pool - at cost | 2,379 | 2,379 |
| Less: Accumulated depreciation | (2,361) | (2,350) |
| | **18** | **29** |
| Computer software - at cost | 164,582 | 14,690 |
| Less: Accumulated depreciation | (32,532) | (4,102) |
| | **132,050** | **10,588** |
| | **797,298** | **745,172** |

## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated | Buildings and improve-ments $ | Computers $ | Furniture and fixtures $ | Low value asset pool $ | Office equipment $ | Computer software $ | Total $ |
|---|---|---|---|---|---|---|---|
| Balance at 1 July 2024 | 26,084 | 593,871 | 31,494 | 46 | 151,955 | - | 803,450 |
| Additions | 22,409 | 148,428 | 38,890 | - | - | 11,550 | 221,277 |
| Additions through business combinations (note 36) | - | - | - | - | 7,440 | - | 7,440 |
| Exchange differences | - | 2,077 | 3 | - | 3 | 3 | 2,086 |
| Depreciation expense | (10,275) | (220,539) | (9,012) | (17) | (48,273) | (965) | (289,081) |
| Balance at 30 June 2025 | 38,218 | 523,837 | 61,375 | 29 | 111,125 | 10,588 | 745,172 |
| Additions | 18,262 | 191,013 | - | - | 4,463 | 150,966 | 364,704 |
| Exchange differences | (99) | 27,150 | (2,571) | - | - | 29,969 | 54,171 |
| Depreciation expense | (18,865) | (232,314) | (12,943) | (11) | (43,421) | (59,195) | (366,749) |
| **Balance at 30 June 2026** | **37,516** | **509,686** | **45,861** | **18** | **72,167** | **132,050** | **797,298** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 13. Right-of-use assets

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| Land and buildings - right-of-use | 7,329,429 | 7,404,385 |
| Less: Accumulated depreciation | (2,155,224) | (1,337,418) |
| | **5,174,205** | **6,066,967** |

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| **Consolidated** | **Land and buildings -rights-of-use $** | **Total $** |
|---|---|---|
| Balance at 1 July 2024 | 5,867,093 | 5,867,093 |
| Additions | 986,243 | 986,243 |
| Exchange differences | 1,914 | 1,914 |
| Depreciation expense | (788,283) | (788,283) |
| Balance at 30 June 2025 | 6,066,967 | 6,066,967 |
| Additions | 13,511 | 13,511 |
| Exchange differences | (52,995) | (52,995) |
| Depreciation expense | (853,278) | (853,278) |
| **Balance at 30 June 2026** | **5,174,205** | **5,174,205** |

The Company leases various assets including real estate, equipment and vehicles. These leases are recognised as right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet at the lease commencement date.

## Note 14. Intangibles

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| Goodwill - at cost | 69,016,325 | 80,063,032 |
| Software development - at cost | 11,763,753 | 11,049,486 |
| Less: Accumulated amortisation | (4,797,770) | (2,514,664) |
| | 6,965,983 | 8,534,822 |
| Website - at cost | 178,885 | 178,885 |
| Less: Accumulated amortisation | (178,885) | (161,292) |
| | - | 17,593 |
| Customer relations - at cost | 3,900,00 | 3,900,000 |
| Less: Accumulated amortisation | (667,145) | (233,333) |
| | **3,232,855** | 3,666,667 |
| | **79,215,163** | **92,282,114** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated | Goodwill $ | Software Development $ | Website $ | Customer Relationships $ | Total $ |
|---|---|---|---|---|---|
| Balance at 1 July 2024 | 69,249,254 | 5,117,164 | 57,093 | - | 74,423,511 |
| Additions | - | 1,339,836 | - | - | 1,339,836 |
| Additions through business combinations (note 36) | 10,813,778 | 3,707,149 | - | 3,900,000 | 18,420,927 |
| Amortisation expense | - | (1,629,327) | (39,500) | (233,333) | (1,902,160) |
| Balance at 30 June 2025 | 80,063,032 | 8,534,822 | 17,593 | 3,666,667 | 92,282,114 |
| Additions | - | 714,268 | - | - | 714,268 |
| Remeasurement adjustments | (46,707) | - | - | - | (46,707) |
| Goodwill impairment | (11,000,000) | - | - | - | (11,000,000) |
| Amortisation expense | - | (2,283,107) | (17,593) | (433,812) | (2,734,512) |
| **Balance at 30 June 2026** | **69,016,325** | **6,965,983** | **-** | **3,232,855** | **79,215,163** |

## Impairment of Goodwill

The Group performed the annual impairment test in June 2026. The Group considers the relationship between its equity market capitalisation and the net assets shown on the balance sheet, among other factors, when reviewing for indicators of impairment.

In considering the carrying value of goodwill, the Directors have adopted a value-in-use methodology to determine the recoverable amounts of each CGU. The recoverable amounts of each CGU have been determined based on a value-in-use calculation that uses cash flow projections over a one-year period, followed by an extrapolation of expected cash flows for the CGUs over a four-year period using growth rates determined by management and the assumptions outlined below. The present value of the expected cash flows and a terminal value for each CGU is determined by applying a suitable discount rate.

## Key assumptions used in value-in-use calculations

Management's view is that stable economic conditions will prevail for the foreseeable future. Cash flow projections reflect profit margins previously achieved, together with specific margin improvement initiatives identified by management, and no material deterioration in cash margin beyond that reflected in the assumptions adopted is anticipated.

The calculation of each CGU is most sensitive to the following assumptions:

- **Revenue Growth -** is a key sensitive assumption in the value-in-use calculation for the AU Consulting CGU. Having considered the growth rate achieved in FY26, a conservative revenue growth assumption has been utilised in the value-in-use calculation.
- **Gross profit margins -** based upon FY27 budgets and margins achieved in the current year. Gross profit margins are the most sensitive assumption in the value-in-use calculation**.**
- **Cost price inflation -** based upon publicly available information.
- **Growth rate estimates -** it is acknowledged that technological change, macro-economic factors and the actions of competitors can impact growth rate assumptions. Growth rates for revenue and costs are conservative and have been assumed at 3% in outer years.
- **Discount rates -** represent current market risks, taking into consideration the time value of money and specific risks not incorporated in the cash flow forecasts. The discount rate is based upon the weighted average cost of capital ("WACC"). WACC is assessed taking into account the expected return on investment by investors, the cost of debt servicing, plus beta factors for industry risk. The Directors have adopted a WACC of 13.0%, applied to the forecast pre-tax cash flows after capital expenditure of each CGU.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Impairment testing results

The estimates and judgements included in the calculations are based on a range of factors, including expectations of current and future trading conditions.

Having taken into account the People CGU's decline in revenue and gross margin relative to FY25, and the more conservative revenue growth assumption utilised for the AU Consulting CGU's forecast in light of the growth rate achieved in FY26, management determined that the value-in-use of both CGUs was less than their respective carrying values, resulting in an impairment charge of $6.5 million, comprising $4.0 million against the carrying value of goodwill allocated to the People CGU and $2.5 million against the carrying value of goodwill allocated to the AU Consulting CGU.

## Sensitivity analysis

For the People CGU, given the reduction in FY26 in operating performance, the value-in-use was below the carrying value in the calculation resulting in an impairment.

For the AU Consulting CGU, sensitivity testing indicated headroom at the mid point discount rate, with the value-in-use falling below the carrying value at higher discount rates within the range tested. Having regard to this sensitivity, together with the Group's historical growth performance, management determined that an impairment of goodwill was required for the CGU.

For the US Consulting CGU, based on current economic conditions and CGU performance, there are no reasonably possible changes to key assumptions used in the determination of the CGU's recoverable amount that would result in a material impairment to the Group.

Refer note 36 for further information on goodwill impairment on business combinations.

# Note 15. Deferred tax

| | Consolidated | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| *Deferred tax asset comprises temporary differences attributable to:* | | |
| Amounts recognised in profit or loss: | | |
| Employee benefits | 979,676 | 1,032,441 |
| Other provisions | 96,224 | 140,749 |
| Right-of-use assets | 171,995 | 109,806 |
| Blackhole expenses | 22,030 | 43,235 |
| Other deferred tax assets | 13,653 | 90,215 |
| Intangible asset - software | 960,720 | 243,401 |
| | 2,244,298 | 1,659,847 |
| Amounts recognised in equity | | |
| Transaction costs on share issue | 72,000 | 108,000 |
| Deferred tax asset | 2,316,298 | 1,767,847 |
| *Movements:* | | |
| Opening balance | 1,767,847 | 1,371,013 |
| Credited to profit or loss (note 7) | 584,451 | 283,505 |
| Charged to equity (note 7) | (36,000) | (36,000) |
| Additions through business combinations (note 36) | - | 149,329 |
| **Closing balance** | **2,316,298** | **1,767,847** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 16. Trade and other payables

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Trade payables | 4,388,443 | 2,217,767 |

Refer to note 31 for further information on financial instruments.

## Note 17. Bank loans

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Bank loans | 1,475,000 | 2,950,000 |

Refer to note 31 for further information on financial instruments.

## Note 18. Lease Liabilities

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Lease liability - rent right-of-use | 710,912 | 647,913 |
| Lease liability - equipment | 13,158 | 14,196 |
| | **724,070** | **662,109** |

Refer to note 31 for further information on financial instruments.

## Note 19. Income tax

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Provision for income tax | - | 227,723 |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 20. Employee benefits

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Annual Leave | 1,944,609 | 2,053,117 |
| Long service leave | 1,010,301 | 933,873 |
| Employee benefits | 158,222 | 9,677 |
| | **3,113,132** | **2,996,667** |

The annual and long service leave provisions represent entitlements owing to current employees. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## Note 21. Contingent consideration

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Contingent consideration - current | 2,000,000 | 1,729,850 |

The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets.

### Movements in provisions

| **Consolidated - 2026** | **$** |
|---|---|
| Carrying amount at the start of the year | 1,729,850 |
| Amounts transferred from non-current | 620,150 |
| Payment in relation to acquisition of Core Asset Co Pty Ltd | (350,000) |
| Carrying amount at the end of the year | **2,000,000** |

## Note 22. Accrued and other liabilities

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Payroll tax payable | 148,595 | 401,869 |
| Superannuation payable | 296,156 | 423,779 |
| GST payable | 609,622 | 877,820 |
| Accrued expenses | 948,658 | 1,910,980 |
| Deferred revenue | 3,884,640 | 2,251,402 |
| Other current liabilities | 4,482,913 | 5,083,734 |
| | **10,370,584** | **10,949,584** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## Note 23. Bank loans

The consolidated entity has overall finance facilities with Westpac Banking Corporation of $34,475,000. This comprises a term debt facility of $30,575,000 made up of $25,000,000 (interest only) and $5,575,000 (principal plus interest over the term), a multi option facility for $3,650,000 and a corporate credit card facility for $250,000, with $23,429,280 drawn as at the balance date. The term of these facilities is 3 years and have been provided on a secured basis and are subject to the Group continuing to meet several performance covenants. As at 30 June 2026, the Group was in compliance with all these covenants.

| | Consolidated | |
|---|---|---|
| **Non Current** | **2026 $** | **2025 $** |
| Bank loans | 21,812,280 | 22,937,280 |

Refer to note 31 for further information on financial instruments.

## Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Bank loans | 23,287,280 | 25,887,280 |

## Assets pledged as security

The bank overdraft and loans are secured against the assets of the consolidated entity.

## Financing arrangements

Unrestricted access was available at 30 June 2026 to the following lines of credit:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Total facilities | | |
| Bank loans - multi option facility | 3,650,000 | 3,650,000 |
| Bank loans - term debt facility | 30,575,000 | 35,000,000 |
| Corporate credit cards | 250,000 | 250,000 |
| | **34,475,000** | **38,900,000** |
| Used at the reporting date | | |
| Bank loans - multi option facility | - | - |
| Bank loans - term debt facility | 23,287,280 | 25,887,280 |
| Corporate credit cards | 142,000 | 181,500 |
| | **23,429,280** | **26,068,780** |
| Unused at the reporting date | | |
| Bank loans - multi option facility | 3,650,000 | 3,650,000 |
| Bank loans - term debt facility | 7,287,720 | 9,112,720 |
| Corporate credit cards | 108,000 | 68,500 |
| | **11,045,720** | **12,831,220** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 24. Lease Liabilities

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Lease liability - rent right-of-use | 5,042,066 | 5,786,734 |
| Lease liability - equipment | 19,912 | 21,483 |
| | **5,061,978** | **5,808,217** |

Refer to note 31 for further information on financial instruments.

## Note 25. Deferred tax

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Deferred tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Property, plant and equipment | 110,630 | 79,166 |
| Prepayments | 130,793 | 12,459 |
| Other deferred tax liabilities | 30,701 | 71,345 |
| Intangibles | 363,016 | 614,213 |
| Deferred tax liability | **635,140** | **777,183** |
| *Movements:* | | |
| Opening balance | 777,183 | 1,040,861 |
| Credited to profit or loss (note 7) | (142,043) | (263,678) |
| **Closing balance** | **635,140** | **777,183** |

## Note 26. Contingent consideration

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Contingent consideration | - | 5,120,150 |

Refer note 21 for further information on contingent consideration.

### Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

| **Consolidated - 2026** | **$** |
|---|---|
| Carrying amount at the start of the year | 5,120,150 |
| Amounts transferred to current | (620,150) |
| Gain on contingent consideration (note 36) | (4,500,000) |
| **Carrying amount at the end of the year** | - |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 27. Issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | **2026 Shares** | **2025 Shares** | **2026 $** | **2025 $** |
| Ordinary shares – fully paid | 181,988,796 | 181,988,796 | 55,317,486 | 55,353,486 |

### Movements in ordinary share capital

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| **Balance** | 1 July 2024 | 177,457,758 | - | 51,389,486 |
| Issues of shares in business acquisition of Toustone Pty Ltd | 6 December 2024 | 4,531,038 | $0.8800 | 4,000,000 |
| Adjustment to tax effect of listing fees | | - | $0.0000 | (36,000) |
| **Balance** | 30 June 2025 | 181,988,796 | | 55,353,486) |
| Adjustment to tax effect of listing fees | | - | $0.0000 | (36,000) |
| **Balance** | **30 June 2026** | **181,988,796** | | **55,317,486** |

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 28. Reserves

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Foreign currency reserve | (325,304) | 342,059 |
| Share-based payments reserve | 467,681 | 597,944 |
| | **142,377** | **940,003** |

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

## Note 29. Retained profits

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Retained profits at the beginning of the financial year | 20,603,357 | 16,995,689 |
| Profit/(loss) after income tax expense for the year | (4,021,327) | 7,894,220 |
| Dividends paid (note 30) | (2,125,629) | (4,286,552) |
| **Retained profits at the end of the financial year** | **14,456,401** | **20,603,357** |

## Note 30. Dividends

### Dividends

Dividends paid during the financial year were as follows:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Fully franked interim dividend for the year ended 30 June 2026 of nil (2025: $0.01) per ordinary share | - | 1,819,888 |
| Fully franked final dividend for the year ended 30 June 2025 of $0.01168 (2024: $0.0139) per ordinary share | 2,125,629 | 2,466,664 |
| | **2,125,629** | **4,286,552** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Franking credits

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| Franking credits available at the reporting date based on a tax rate of 30% | 6,061,623 | 5,566,011 |
| Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30% | - | 533,522 |
| **Franking credits available for subsequent financial years based on a tax rate of 30%** | **6,061,623** | **6,099,533** |

# Note 31. Financial instruments

## Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e., not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

## Market risk

### Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The average exchange rates and reporting date exchange rates applied were as follows:

| | Average exchange rates | | Reporting date exchange rates | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Australian dollars** | | | | |
| US dollars | 0.6776 | 0.6483 | 0.7016 | 0.6503 |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| | Assets | | Liabilities | |
|---|---|---|---|---|
| **Consolidated** | **2026 $** | **2025 $** | **2026 $** | **2025 $** |
| US dollars | 7,814,888 | 6,732,806 | 1,398,430 | 1,193,014 |

The consolidated entity had net assets denominated in foreign currencies of $6,416,458 (assets of $7,814,888 less liabilities of $1,398,430) as at 30 June 2026 (2025: $5,539,792 (assets of $6,732,806 less liabilities of $1,193,014). The expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last twelve months of each year and the spot rate at each reporting date, is not considered to be a material risk. The actual foreign exchange loss for the year ended 30 June 2026 was $44,354 (2025: $8,664).

## Price risk

The consolidated entity is not exposed to any significant price risk.

## Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

As at the reporting date, the consolidated entity had the following variable rate borrowings and interest rate swap contracts outstanding:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| **Consolidated** | **Weighted average interest rate %** | **Balance $** | **Weighted average interest rate %** | **Balance $** |
| Bank loans | 6.22% | 23,287,280 | 5.46% | 25,887,280 |
| **Net exposure to cash flow interest rate risk** | | **23,287,280** | | **25,887,280** |

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

For the consolidated entity the bank loans outstanding, totalling $23,287,280 (2025: $25,887,280), are principal and interest payment loans. Quarterly cash outlays of approximately $375,000 (2025: $355,000) are required to service the interest payments. The expected volatility of interest rates, as assessed using market data and analysts' forecasts, is not considered to be a material risk. In addition, minimum principal repayments of $1,475,000 (2026: $2,950,000) are due during the year ending 30 June 2027.

# Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning, These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

## Allowance for expected credit losses

The consolidated entity has recognised a gain of $238,069 (2025: $207,320) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026. Refer to note 9 for further information on expected credit losses.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### Financing arrangements

Unused borrowing facilities at the reporting date:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Bank loans - multi option facility | 3,650,000 | 3,650,000 |
| Bank loans - term debt facility | 7,287,720 | 9,112,720 |
| Corporate credit cards | 108,000 | 68,500 |
| | **11,045,720** | **12,831,220** |

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time. These provide facilities to meet contingent consideration.

### Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| **Consolidated - 2026** | **Weighted average interest rate %** | **1 year or less $** | **Between 1 and 2 years $** | **Between 2 and 5 years $** | **Over 5 years $** | **Remaining contractual maturities $** |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| *Non interest bearing* | | | | | | |
| Trade payables | - | 4,388,443 | - | - | - | 4,388,443 |
| *Interest-bearing - variable* | | | | | | |
| Bank loans | 6.22% | 1,475,000 | 4,425,000 | 17,387,280 | - | 23,287,280 |
| Lease liability | 6.97% | 724,070 | 886,158 | 2,636,092 | 1,539,728 | 5,786,048 |
| **Total non-derivatives** | | **6,587,513** | **5,311,158** | **20,023,372** | **1,539,728** | **33,461,771** |

| **Consolidated - 2025** | **Weighted average interest rate %** | **1 year or less $** | **Between 1 and 2 years $** | **Between 2 and 5 years $** | **Over 5 years $** | **Remaining contractual maturities $** |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| *Non interest bearing* | | | | | | |
| Trade payables | - | 2,217,767 | - | - | - | 2,217,767 |
| *Interest-bearing - variable* | | | | | | |
| Bank loans | 5.46% | 2,950,000 | 2,950,000 | 19,987,280 | - | 25,887,280 |
| Lease liability | 7.90% | 662,109 | 790,522 | 2,546,781 | 2,470,914 | 6,470,326 |
| **Total non-derivatives** | | **5,829,876** | **3,740,522** | **22,534,061** | **2,470,914** | **34,575,373** |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

# Note 32. Key management personnel disclosures

## Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Short-term employee benefits | 1,370,000 | 2,484,587 |
| Post-employment benefits | 88,800 | 117,600 |
| Termination benefits | 365,129 | - |
| Share-based payments | 113,249 | 138,592 |
| | **1,937,178** | **2,740,779** |

# Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Elderton Audit Pty Limited, the auditor of the company, its network firms and unrelated firms:

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| **Audit services** | | |
| Audit of the financial statements | 55,600 | 55,000 |
| **Other services** | | |
| Half year review | 14,700 | 14,500 |
| Audit of acquired subsidiaries on the acquisition date | - | 5,000 |
| | **14,700** | **19,500** |
| | **70,300** | **74,500** |

# Note 34. Related party transactions

## Parent entity

COSOL Limited is the parent entity.

## Subsidiaries

Interest in subsidiaries are set out in note 37.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Key management personnel

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the Directors' report.

## Transactions with related parties

The following transactions occurred with related parties:

There were no transactions with related parties in the current financial year.

During the previous financial year, Mr Pestell, a non-executive Director during the financial year until his retirement on 14 November 2024, was Managing Director and part owner of, and had significant influence but not control over, Murcia Pestell Hillard Lawyers, the consolidated entity's Australian legal adviser. Murcia Pestell Hillard Lawyers was not a material services supplier to the consolidated entity and the consolidated entity was not a material client of Murcia Pestell Hillard Lawyers. During the previous financial period, the consolidated entity paid fees as below in connection with the provision of legal services. These transactions occurred within a normal customer-supplier relationship and on terms and conditions no more favourable than those available to other parties on an arms-length basis.

| | Consolidated | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| **Payment for goods and services** | | |
| Payment for services from other related party - legal services | - | 136,617 |

## Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

## Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

## Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

# Note 35. Parent entity information

Set out below is the supplementary information about the parent entity

## Statement of profit or loss and other comprehensive income

| | Parent | |
|---|---|---|
| | 2026<br>$ | 2025<br>$ |
| Profit/(loss) after income tax | 2,989,055 | (1,556,394) |
| **Total comprehensive income** | **2,989,055** | **(1,556,394)** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Statement of financial position

| | Parent | |
|---|---|---|
| | **2026** **$** | **2025** **$** |
| Total current assets | 1,032,029 | 2,308,580 |
| Total assets | 95,790,295 | 97,109,811 |
| Total current liabilities | 27,281,508 | 23,053,038 |
| Total liabilities | 49,093,788 | 51,110,468 |
| Net assets | 46,696,507 | 45,999,343 |
| Equity | | |
| Issued capital | 55,317,486 | 55,353,486 |
| Share-based payments reserve | 467,681 | 597,944 |
| Accumulated losses | (9,088,660) | (9,952,087) |
| **Total equity** | **46,696,507** | **45,999,343** |

## Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

## Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

## Captial commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

## Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 36. Business combinations

On 1 December 2024, COSOL Limited acquired 100% of the ordinary shares of Toustone Pty Ltd ("Toustone") for the total consideration of up to $18,896,773 subject to Toustone meeting future profit hurdles. Toustone is a data analytics, predictive analytics and decision intelligence company dedicated to solving complex data problems and providing accurate and reliable reporting. The upfront consideration totals $12,396,773, comprising $8,396,773 cash and 4,531,038 COSOL shares (being $4 million worth at a deemed issue price of $0.8828 per share). The balance of the consideration recognised on acquisition consisted of up to $6.5 million in earnout and is payable subject to the Toustone business achieving profit and margin hurdles in CY25 and CY26. The acquisition resulted in goodwill of $10,813,778 to be recognised in the consolidated financial statements.

During the current financial year, the contingent consideration has been reduced to $2 million with the $4.5 million gain recognised through the profit and loss in the current reporting period. An offsetting impairment of goodwill of $4.5 million has been recognised at the same time as the gain from reduction of contingent consideration so that the net impact of the changes to deferred consideration is nil. Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date.

Details of the acquisition are as follows:

| | **Fair value<br>$** |
|---|---|
| Cash and cash equivalents | 787,887 |
| Trade receivables | 1,339,352 |
| Accrued revenue | 359,929 |
| Plant and equipment | 7,440 |
| Customer relationships | 3,900,000 |
| Software | 3,700,000 |
| Other intangible assets | 7,149 |
| Deferred tax asset | 124,441 |
| Trade payables | (290,599) |
| Provision for income tax | (105,454) |
| Employee benefits | (540,618) |
| Other liabilities | (1,206,532) |
| Net assets acquired | 8,082,995 |
| Goodwill | 10,813,778 |
| Acquisition-date fair value of the total consideration transferred | 18,896,773 |
| Representing: | |
| Cash paid or payable to vendor | 8,396,773 |
| COSOL Limited shares issued to vendor | 4,000,000 |
| Contingent consideration | 6,500,000 |
| | **18,896,773** |
| **Acquisition costs expensed to profit or loss** | **497,466** |
| Cash used to acquired business, net of cash acquired: | |
| Acquisition-date fair value of the total consideration transferred | 18,896,773 |
| Less: cash and cash equivalents | (787,887) |
| Less: contingent consideration | (6,500,000) |
| Less: shares issued by Company as part of consideration | (4,000,000) |
| **Net cash used** | **7,608,886** |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| | | Ownership interest | |
|---|---|---|---|
| Name | Principal place of business/ Country of incorporation | 2026 % | 2025 % |
| COSOL Australia Pty Limited | Australia | 100.00% | 100.00% |
| COSOL Americas Inc. (Previously AddOns Inc) | USA | 100.00% | 100.00% |
| Clarita Solutions Pty Limited | Australia | 100.00% | 100.00% |
| Work Management Solutions Pty Ltd | Australia | 100.00% | 100.00% |
| Asset Management Learning Academy Pty Ltd | Australia | 100.00% | 100.00% |
| AssetOn Group Pty Ltd | Australia | 100.00% | 100.00% |
| OnPlan Technologies Pty Ltd | Australia | 100.00% | 100.00% |
| Core Asset Co Pty Ltd | Australia | 100.00% | 100.00% |
| Toustone Pty Ltd | Australia | 100.00% | 100.00% |

## Note 38. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 39. Reconciliation of profit/(loss) after income tax to net cash from operating activities

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Profit/(loss) after income tax expense for the year | (4,021,327) | 7,894,220 |
| Adjustments for: | | |
| Depreciation and amortisation | 3,954,539 | 2,979,524 |
| Revaluation decrements | 11,046,707 | (162,124) |
| Share-based payments | (130,263) | |
| Foreign currency differences | (590,743) | 100,304) |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (123,765) | (4,694,602) |
| Decrease in inventories | 15,000 | 9,088 |
| Increase in deferred tax assets | (548,451) | (396,834) |
| Decrease in accrued revenue | 2,159,707 | 1,982,899 |
| Decrease/(increase) in prepayments | (38,995) | 260,907 |
| Increase in other operating assets | (2,384,193) | (406,783) |
| Increase/(decrease) in trade and other payables | 1,521,582 | (1,575,140) |
| Decrease in provision for income tax | (227,723) | (261,902) |
| Decrease in deferred tax liabilities | (142,043) | (263,678) |
| Increase in employee benefits | 116,465 | 304,139 |
| Decrease in contingent considerations | (4,850,00) | - |
| Increase in other operating liabilities | 420,095 | 1,832,809 |
| **Net cash from operating activities** | **6,176,592** | **7,602,827** |

## Note 40. Earnings per share

| | Consolidated | |
|---|---|---|
| | **2026 $** | **2025 $** |
| Profit/(loss) after income tax attributable to the owners of COSOL Limited | (4,021,327) | 7,894,220 |

| | **Number** | **Number** |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 181,988,796 | 180,027,415 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options over ordinary shares | 7,463,973 | 12,243,787 |
| Performance rights over ordinary shares | 1,530,419 | 643,421 |
| **Weighted average number of ordinary shares used in calculating diluted earnings per share** | **190,983,188** | **192,914,623** |

| | **Cents** | **Cents** |
|---|---|---|
| Basic earnings per share | (2.21) | 4.39 |
| Diluted earnings per share | (2.11) | 4.09 |

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



## Note 41. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

| | Number of options 2026 | Weighted average exercise price 2026 | Number of options 2025 | Weighted average exercise price 2025 |
|---|---|---|---|---|
| Outstanding at the beginning of the financial year | 8,750,000 | $1.0178 | 14,483,323 | $1.0282 |
| Expired | (2,950,000) | $0.9693 | (5,733,323) | $1.0440 |
| **Outstanding at the end of the financial year** | **5,800,000** | **$1.0425** | **8,750,000** | **$1.0178** |
| **Exercisable at the end of the financial year** | **4,800,000** | **$1.0100** | **4,550,000** | **$0.9309** |

| Tranche | Grant date | Exercise price | Balance at the start of the period | Granted | Exercised | Expired/ other | Balance at the end of the period |
|---|---|---|---|---|---|---|---|
| Tranche 1 Senior Leadership Team | 13/07/2022 | $0.8100 | 750,000 | - | - | (750,000) | - |
| Tranche 1 Mr Stokes | 30/06/2023 | $0.8300 | 800,000 | - | - | - | 800,000 |
| Tranche 2 Mr Stokes | 30/06/2023 | $0.8300 | 600,000 | - | - | - | 600,000 |
| Tranche 3 Mr Stokes | 30/06/2023 | $0.8300 | 600,000 | - | - | (600,000) | - |
| Tranche 1 Mr Glasner | 30/06/2023 | $0.8900 | 800,000 | - | - | - | 800,000 |
| Tranche 2 Mr Glasner | 30/06/2023 | $0.8900 | 600,000 | - | - | - | 600,000 |
| Tranche 3 Mr Glasner | 30/06/2023 | $0.8900 | 600,000 | - | - | (600,000) | - |
| Tranche Mr Buckley | 15/12/2023 | $1.2200 | 1,000,000 | - | - | (1,000,000) | - |
| Tranche Mr McGowan | 29/01/2024 | $1.2200 | 3,000,000 | - | - | - | 3,000,000 |
| | | | **8,750,000** | **-** | **-** | **(2,950,000)** | **5,800,000** |

These options were valued using a Monte Carlo option model as they can only be exercised at the end of the applicable service period and have a relatively short life. They were valued based on a 53% volatility, 0.09% (Tranche 1) and 0.42% (Tranche 2) risk free rate, and a share price at grant date of $0.71.

The weighted average share price during the financial year was $1.0425 (2025: $1.0178).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.60 years (2025: 1.51 years).

A Long-Term Incentive Plan has been established by the consolidated entity during the financial year, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant performance rights to ordinary shares in the Company to members of the senior leadership team of the consolidated entity. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED



Set out below are summaries of performance rights granted under the plan:

| | Number of options 2026 | Weighted average exercise price 2026 | Number of options 2025 | Weighted average exercise price 2025 |
|---|---|---|---|---|
| Outstanding at the beginning of the financial year | 643,421 | $0.0000 | - | $0.0000 |
| Granted | 4,023,795 | $0.0000 | 643,421 | $0.0000 |
| Forfeited | (2,752,315) | $0.0000 | - | $0.0000 |
| **Outstanding at the end of the financial year** | **1,914,901** | **$0.0000** | 643,421 | **$0.0000** |

| Grant date | Expiry Date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 01/07/2024 | 30/06/2029 | $0.0000 | 643,421 | 173,795 | - | (502,315) | 314,901 |
| 27/11/2025 | 31/12/2028 | $0.0000 | - | 3,850,000 | - | (2,250,000) | 1,600,000 |
| | | | **643,421** | **4,023,795** | **-** | **(2,752,315)** | **1,914,901** |

These performance rights were valued using a Monte Carlo simulation model to simulate both the terminal share price for the Company on the vesting date, and to model the ASX Small Industrials Index (ASXSII). They were valued based on a 22.1% volatility, 3.897% risk free rate, and a share price at grant date of $1.21. The fair value per right at grant date was determined to be $0.292.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.50 years (2025: 4 years).

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT



## Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

## Determination of Tax Residency

Section 295 (3A) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

### Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

| Entity Name | Entity type | Place formed/ Country of Incorporation | Ownership interest % | Tax residency |
|---|---|---|---|---|
| COSOL Limited | Body Corporate | Australia | 100.00% | Australian |
| COSOL Australia Pty Limited | Body Corporate | Australia | 100.00% | Australian |
| COSOL Americas Inc | Body Corporate | USA | 100.00% | Foreign |
| Clarita Solutions Pty Limited | Body Corporate | Australia | 100.00% | Australian |
| Work Management Solutions Pty Ltd | Body Corporate | Australia | 100.00% | Australian |
| Asset Management Learning Academy Pty Ltd | Body Corporate | Australia | 100.00% | Australian |
| AssetOn Group Pty Ltd | Body Corporate | Australia | 100.00% | Australian |
| OnPlan Technologies Pty Ltd | Body Corporate | Australia | 100.00% | Australian |
| Core Asset Co Pty Ltd | Body Corporate | Australia | 100.00% | Australian |
| Toustone Pty Ltd | Body Corporate | Australia | 100.00% | Australian |

# DIRECTORS' DECLARATION

## 30 June 2026



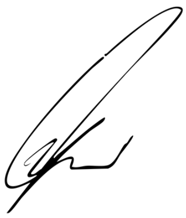
In the Directors' opinion:

- 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 IFRS Accounting 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 consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- The information disclosed in the attached consolidated entity disclosure statement ('CEDS') is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001.*

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



**Geoff Lewis**
Chairman

18 August 2026

# INDEPENDENT AUDITOR'S REPORT

## to the members of COSOL Limited



ELDERTON
AUDIT PTY LTD

## Independent Auditor's Report to the Members of COSOL Limited

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of COSOL Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.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# INDEPENDENT AUDITOR'S REPORT CONTINUED



**Revenue recognition**

Refer to Total Revenue ($98,549,696), Note 4 (Revenue) to the financial report

**Key Audit Matter**

Revenue is a key audit matter due to the significance of the balance to the financial statements and the significant audit effort and judgement involved in assessing the Group's recognition and measurement of revenue under *AASB 15 Revenue from Contracts with Customers* ("AASB 15").

The Group generates revenue from multiple sources including consulting services, managed services, fixed-price implementation projects, software subscriptions and software licensing arrangements. Each revenue stream has different recognition criteria, requiring judgement in identifying performance obligations, determining the timing of revenue recognition, allocating transaction prices and measuring progress for performance obligations satisfied over time.

Complexity arises from:

- Contracts containing multiple performance obligations (e.g. software licences, implementation services and ongoing support).
- Determination of whether performance obligations are satisfied over time or at a point in time.
- Management judgement in measuring progress towards completion for project-based contracts and accounting for contract modifications.
- Customer and segment concentration, with COSOL Australia contributing approximately 40% of total revenue.
- The volume and diversity of revenue transactions processed through the year.

Given the volume and diversity of revenue transactions, and the associated risk of error or bias, revenue recognition required significant audit focus.

**How our audit addressed the matter**

Our audit work included, but were not limited to:

- We obtained an understanding of the Group's revenue recognition processes and evaluated the design, implementation and effectiveness of key controls over revenue recognition.
- We selected a sample of contracts from each revenue stream and assessing:
  - o Identification and separation of performance obligations.
  - o Appropriateness of transaction price allocation.
  - o Timing of revenue recognition in accordance with contract terms and AASB 15.
- We tested a sample of revenue transactions by agreeing revenue recognised to executed contracts, approved timesheets, project reports and customer invoices, and assessed management's measurement of progress where revenue was recognised over time.
- We performed cut-off testing on revenue transactions occurring near year-end to ensure revenue was recognised in the correct period.
- We tested a sample of software subscription and licensing arrangements to confirm correct classification between right-to-use and right-to-access licences, and appropriateness of point-in-time or over-time recognition.
- We reviewed significant estimates and judgements applied by management, particularly in relation to progress measurement, contract modifications, and recoverability of amounts recognised.
- We performed analytical procedures, including trend and variance analysis by customer, segment, and product, to identify unusual movements or indicators of revenue smoothing.
- We assessed the adequacy of the Group's revenue disclosures against the requirements of AASB 15.

**Going Concern Assessment**

Refer to Note 1 to the financial report

**Key Audit Matter**

Going concern assessment was a key audit matter due to the significant audit effort and judgement involved in assessing the Group's ability to continue as a going concern

The Group's financial performance deteriorated during the year ended 30 June 2026, with revenue declining from the prior year and profitability and EBITDA margins reducing. The Group also has significant financing obligations and is subject to

**How our audit addressed the matter**

Our audit procedures included, but were not limited to:

- We obtained an understanding of management's process for preparing the going concern assessment and supporting cash flow forecasts.
- We evaluated the reasonableness of key assumptions used in the cash flow forecasts, including forecast revenue, EBITDA margins, operating costs, working capital movements, capital expenditure and forecast cash

# INDEPENDENT AUDITOR'S REPORT CONTINUED



financial covenants under its banking facilities.

Management's going concern assessment involved significant judgement in forecasting future revenue, operating margins, cash generation and working capital requirements, as well as assessing compliance with the Group's banking covenant requirements

The Group's banking covenant headroom was limited at 30 June 2026. Under the agreed terms, the covenant requirement was further reduced for December 2026 and from January 2027.

In addition, the Group is required to meet future financing obligations, including the $2.0 million deferred consideration payable in respect of the Toustone acquisition in February 2027 and the repayment/refinancing requirements associated with the Group's banking facilities.

The assessment therefore involved significant estimation uncertainty regarding the Group's future operating performance and its ability to generate sufficient cash flows to meet its financial obligations and comply with the tightening covenant requirements.

Given the combination of declining revenue and margins, limited covenant headroom, future debt servicing requirements and the significant judgement involved in forecasting future trading performance and cash flows, the going concern assessment required significant auditor attention.

generation.

- We compared forecast revenue and margin assumptions against historical performance, FY2026 actual results, current trading performance, approved budgets and other available supporting evidence
- We reviewed the Group's banking facilities and relevant lender correspondence and independently recalculated the banking covenant at 30 June 2026.
- We performed sensitivity analyses over key assumptions to assess the impact of reasonably possible changes on the Group's ability to continue as a going concern.
- We assessed the impact of the reduction in the applicable covenant threshold from January 2027 on the Group's forecast covenant compliance.
- We assessed the Group's ability to meet the $2.0 million deferred consideration payable in February 2027 and other forecast contractual obligations.
- We considered the adequacy and availability of the Group's borrowing facilities ($11m unused facility as at 30 June 2026) and assessed management's plans for managing liquidity and financing requirements.
- We reviewed the Board of Directors' and Audit Committee minutes, together with correspondence with lenders, to identify any events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- We evaluated the adequacy of the disclosures in the financial report relating to the Group's going concern assessment, liquidity position, financing arrangements and significant judgements.

**Intangibles impairment**
Refer to Note 14 (Intangibles) to the financial report

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| The impairment assessment of goodwill and other intangible assets was a key audit matter due to the significant audit effort and judgement involved in assessing the recoverable amount of the Group's cash-generating units ("CGUs").<br><br>The Group has significant goodwill and other intangible assets recognised in its consolidated financial statements. In accordance with AASB 136 *Impairment of Assets*, management is required to perform an annual impairment test of goodwill and assess whether there are indicators of impairment of other assets.<br><br>The Group's financial performance during FY2026 declined compared with the prior year, including a reduction in revenue and EBITDA margins. These | Our audit work included, but was not restricted to, the following:<br><br>• We obtained an understanding of management's impairment assessment process and evaluated the methodology used to determine the recoverable amount of the relevant CGUs.<br><br>• We assessed the appropriateness of the CGUs identified by management and considered whether the allocation of goodwill and other assets to the relevant CGUs was consistent with the Group's operations and the requirements of AASB 136<br><br>• We assessed the reasonableness of the key assumptions used in the VIU models, including forecast revenue growth, gross profit margins, operating expenditure, capital expenditure, working capital requirements and forecast cash |

# INDEPENDENT AUDITOR'S REPORT CONTINUED



results, together with the Group's forecast future performance, were relevant factors in assessing whether the carrying amounts of the Group's CGUs were recoverable.

Management determined the recoverable amount of the relevant CGUs based on value in use ("VIU") calculations, which required significant judgement in forecasting future revenue, gross profit margins, operating costs, capital expenditure, working capital requirements and future cash flows.

The impairment assessment was particularly sensitive to assumptions regarding the future performance of the AU Consulting and People CGUs, where historical FY2026 performance was below the levels assumed in earlier forecasts and management had revised its forecasts as part of the final impairment assessment.

For AU Consulting, management's final assessment incorporated an FY2027 revenue growth assumption of 8%, followed by 5% growth and 3% terminal growth, together with an improvement in gross margins. The assessment resulted in limited headroom at the midpoint discount rate and a shortfall under the high discount rate sensitivity.

The People CGU also required significant judgement, with management forecasting an improvement in revenue and margins despite the CGU's lower historical profitability. The sensitivity analysis indicated negative headroom across the discount rate scenarios considered by management.

The VIU calculations were also sensitive to the discount rate and terminal growth rate. Management used a long-term growth rate of 3% and a range of discount rates of 12% to 14%. The sensitivity of the recoverable amounts to reasonably possible changes in these assumptions increased the audit judgement required in determining whether impairment was required.

Following the completion of its impairment assessment, management recognised a goodwill impairment charge of $11 million for the year ended 30 June 2026. The determination of the impairment charge and the related allocation of impairment to the relevant CGUs required significant management judgement.

Given the magnitude of the goodwill and intangible asset balances, the deterioration in FY2026 trading performance, the significant judgement involved in forecasting future revenue and margins and the sensitivity of the assessment to changes in key assumptions, we considered this to be an area of significant auditor attention.

flows.

- We compared forecast revenue growth and EBITDA margins against historical financial performance, FY2026 actual results, approved budgets, current trading performance and other supporting evidence available to us.
- For the AU Consulting CGU, we evaluated the supporting evidence for management's forecast revenue, including committed revenue, customer purchase orders and other evidence supporting the conversion of forecast opportunities into future revenue.
- For the People CGU, we evaluated the supporting assumptions relating to forecast headcount, utilisation, revenue growth and margin improvement, including management's supporting analysis of expected changes in the composition of the workforce.
- We assessed the appropriateness of the discount rates and terminal growth assumptions used in the VIU models, including consideration of the underlying methodology and consistency with relevant market and economic conditions.
- We independently recalculated the VIU models and assessed the mathematical accuracy of the calculations, including the discounting of forecast cash flows and terminal value.
- We compared the recoverable amount of each relevant CGU with its carrying amount and assessed the resulting headroom or impairment requirement.
- We performed sensitivity analyses over key assumptions, including revenue growth, EBITDA margins, discount rates and terminal growth rates, to assess the extent to which reasonably possible changes could result in further impairment.
- We considered the implications of the impairment assessment for the carrying value of goodwill and other intangible assets and assessed the allocation of the impairment charge recognised by management.
- We assessed the adequacy of the financial report disclosures relating to the impairment assessment, including the key assumptions, sensitivity analysis and impairment recognised, against the requirements of AASB 136.

# INDEPENDENT AUDITOR'S REPORT CONTINUED



**Other Information**

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Group's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors for the Financial Report**

The directors of the Group are responsible for the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

# INDEPENDENT AUDITOR'S REPORT CONTINUED



However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

We have audited the Remuneration Report of the directors' report for the year ended 30 June 2026. The directors of the COSOL Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

**Opinion**

In our opinion, the Remuneration Report of COSOL Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Elderton Audit Pty Ltd

**Elderton Audit Pty Ltd**

**Sajjad Cheema**
Director

18 August 2026
Perth

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