FY26 results announcement

COSOL delivers stronger operating profitability, announces executive changes and appointment of new interim CEO

Highlights

- Operating profitability rebound in H2
- Stronger operating margins after cost base reset
- $9.8 million underlying EBITDA for the full year ($6.3m in H2)
- Revenue of $98.6m (down 15.6%)
- Goodwill impairment of $6.5m[1] relating to Asset management services ($4.5m) and Australian consulting ($2.5m)
- Managing Director steps down from role, new role as director of strategy and solutions
- Appointment of interim CEO pending permanent appointment
- Chairman assumes executive role through transition
- Major new strategic contracts in data and digital consulting
- Contract wins for two major mass transportation projects in Australia and Canada

Brisbane, 19 August 2026 – COSOL Limited (COSOL, ASX: COS) is pleased to announce stronger operating profitability in the second half of the 2026 financial year, contributing to full year underlying EBITDA of $9.7 million.

Second half underlying EBITDA was $6.3 million compared to $3.4 million in H1 as positive impacts started to flow through from a major reset of the Company's operating base.

Operating margins improved half on half (31.2% vs 28.8%), setting a platform for improved profitability and a springboard for profitable organic revenue growth in FY27.

Revenue stabilised during H2 but full year revenue was lower than in FY25. Recently secured contracts in digital and data services give COSOL confidence that revenue will grow in FY27.

The recently secured contracts demonstrate COSOL's strategy of securing longer-term, higher margin contracts using AI and industrial mathematics is getting market traction.

The start of the performance rebound followed a number of disappointing reporting periods for COSOL that were unacceptable to the board, management and to all shareholders.

As a result, the combined board and management team has instituted a number of further operational changes to best equip COSOL to maintain the profitability rebound and to drive organic revenue growth.

Managing Director and CEO Scott McGowan has decided to step down after 10 years in the role and will now focus entirely on executing the COSOL solutions strategy in a new role of Executive Director Strategy and Solutions.

COSOL's Chief Operating Officer and CFO Anthony Stokes has been appointed interim CEO. Mr Stokes has been with COSOL for four years and brings deep knowledge of the business and the sector to the role.

The Board has started a process to appoint a permanent CEO.

Chairman Geoff Lewis has been appointed Executive Chairman through the period of transition and will remain in that role until the new permanent CEO is appointed.

Mr Lewis said the changes were appropriate and would create the platform for COSOL to capture the abundant opportunities that exist in the Company's markets.

"Our focus now is on stability through executive transition, which is greatly enhanced by Scott's decision to remain with COSOL with responsibility for executing our solutions strategy," said Mr Lewis.

"Our failure to realise those opportunities in the past has not been for lack of opportunity or demand for what we offer the market. These changes are designed to ensure COSOL delivers profitable revenue growth and shareholder returns.

"Over the past year, we have concentrated heavily on improving operating margins and resetting the cost base of the business. FY27 will see the major focus on driving revenue growth with a fresh sales push and a re-design of what we sell to leverage opportunities in AI and industrial mathematics.

"Recent contract wins in the mass transportation sector are solid evidence of where we can now take COSOL."

Mr McGowan said he was looking forward to his new role and the ability to focus entirely on driving out the COSOL market strategy.

"The opportunities are significant, which we see in the recently secured contracts in transport, and our mission now is to replicate those wins at scale," he said.

Mr Stokes said he was looking forward to his new role, with his focus on ensuring the business had a solid platform from which to attack revenue growth.

"We have reset the cost base and now have a strong platform from which our sales team, greatly strengthened by recent appointments, can exploit our pipeline of opportunities," said Mr Stokes.

"We're about profitable growth and not revenue for the sake of it. Revenue was flat in H2 but our internal reset allowed us to drive a rebound in operating profitability.

"That is the basis on which I believe we can deliver both revenue and profit growth in FY27."

New Contracts

COSOL continues to build its digital asset management business with significant new contracts in the transportation and infrastructure sectors. The contracts reflect COSOL's strategy of leveraging its deep expertise in AI-driven data analytics.

Major new Australian rail project COSOL has been contracted by the consortium building a major new rail project in Australia to deliver digital asset management services for the entire operation.

The initial term of the contract is five years (through to end of construction in 2031), with a value of $12.8 million.

The contract includes the option for COSOL to provide digital maintenance support for the operating phase, with terms to be finalised before the end of the construction phase.

COSOL will provide real time digital intelligence for all stakeholders in the new railway – which is anchored in a Public Private Partnership (PPP) – with real-time information that optimises operations and maintenance.

Already, COSOL provides similar services to Metro Trains Sydney, operator of the M1 Northwest and Bankstown underground and driverless line that runs beneath Sydney's CBD.

CDPQ Montreal

COSOL has also been engaged by Canadian pension fund La Caisse to improve digital asset management across its CDPQ Infra rail network, called REM, in its home city of Montreal, Quebec.

The multi-year contract, which has commenced, will see COSOL support REM in achieving measurable improvements in asset performance, maintenance efficiency and operational decision-making.

REM is an automated light rail metro system covering Greater Montreal, connecting 23 stations and with two more to come with the opening of an extension to Montreal Trudeau International Airport next year.

COSOL is creating a full digital twin of the network for REM, integrating complex operational data into a single, real-time dashboard and helping maximise efficiency and returns across the lifecycle of the network.

In Australia, La Caisse has invested more than $15 billion in transportation and infrastructure companies and assets, including existing COSOL customers TransGrid and Port of Brisbane.

FY26 Results

For FY26, impairment charges of $6.5m[2] relating to previous acquisitions resulted in a statutory net loss of $4.02 million.

Other features of the FY26 result include:

- Cash position at balance date of $5.3m with cash conversion of 108%
- Net debt reduction to $20m
- Diversification of US business with IBM now representing 25% of revenue (zero in FY23), anticipated to grow to ~45% in FY27 revenue
- Data and Digital consulting margin of 37.9% for H2FY26, a 340 basis point improvement on H1FY26.

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

For more information, please contact:
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About COSOL

COSOL is a global provider of technology-enabled asset management solutions to optimise operational performance in asset intensive industries such as natural resources, energy and water utilities, public infrastructure and defence.

COSOL provides advice, operational expertise and business optimisation outcomes to help clients achieve economic and sustainable improvements in their business operations and supply chains.

Drawing on our signature solutions and proprietary software, COSOL delivers an Asset Management as a Service capability – a complete outsourced solution for asset management operations that helps optimise asset performance.

https://cosol.global/

Summary of Key Terms of Employment

Position	**Interim Chief Executive Officer**
Commencement Date	18 August 2026.
Fixed Remuneration	$650,000 base per annum inclusive of statutory superannuation.
Performance Incentive	In the Board's discretion, Mr. Stokes may be invited to participate in an incentive scheme at any time in the future.
Reporting	The Board of Cosol. On a day-to-day basis and in relation to leave, the Executive Chairman of the Board of Directors.
Term & Cessation of Employment	Maximum term of 12 months following the Commencement Date. Mr. Stoke's employment may be terminated by either party, at any time, by providing three months' notice.
Post Employment Restraints	A 12 month non-compete and non-solicitation provision applies.
Other Benefits	All ordinary statutory entitlements, including leave.

Position	**Executive Chair**
Commencement Date	18 August 2026.
Fixed Remuneration	$300,000 base per annum plus statutory superannuation.
Performance Incentive	In the Board's discretion, Mr. Lewis may be invited to participate in an incentive scheme at any time in the future.
Reporting	The Board of Cosol.
Term & Cessation of Employment	Maximum term of 12 months following the Commencement Date.
Other Benefits	All ordinary statutory entitlements, including leave.

Position	**Executive Director Strategy and Solutions**
Commencement Date	18 August 2026.

Fixed Remuneration	$600,000 base per annum inclusive of statutory superannuation.
Performance Incentive	In the Board’s discretion, Mr. McGowan may be invited to participate in an incentive scheme at any time in the future.
Reporting	The Interim CEO.
Term & Cessation of Employment	Until agreement is validly terminated in accordance with its terms. 6-month notice period.
Post Employment Restraints	As per existing contract.
Other Benefits	All ordinary statutory entitlements, including leave.