

COSOL posts first half \$3.5m underlying EBITDA on revenue of \$49.6m, flags stronger second half to FY26

Brisbane, 25 February 2026 – COSOL Limited (COSOL, ASX: COS) today announced underlying EBITDA of \$3.5 million for the six months to 31 December 2025 on revenue of \$49.6 million.

Group revenue was down 14.1% on the previous corresponding period and underlying EBITDA fell by 57.0%. Operating margins remained steady and in line with previous guidance (gross margin of 28.8% vs 31.5% previously). The Board has not declared a dividend.

Key factors behind the result were the end of two major contracts (one on completion of the project, the other an early termination), under-utilisation of personnel and a softer sales pipeline.

The biggest revenue fall was in COSOL's Asset Management Services with a major focus on mining and energy, where revenue fell by \$5.7m (26.3%). Consulting revenue was down by \$2.5m (6.8%), significantly driven by the loss of a managed services client and delays in new projects starts.

In light of the performance, COSOL management undertook a remedial program to restore revenue and earnings growth, notably building a healthy sales pipeline, driving better utilisation, and getting the right people in the right executive roles. Key among the changes is the appointment of Anthony Stokes as Chief Operating Officer in addition to his role as CFO. The Australian sales operation has been restructured to put a greater focus on selling COSOL's integrated services offer across the Company's existing blue-chip client base.

In addition, a 'costs out' program has removed \$1 million in annualised costs, which incurred a \$882,000 expense in H1 but better positions COSOL to operate in more efficiently in H2 and beyond.

Managing Director Scott McGowan said the operating results were disappointing and in line with the Company's guidance to the market in late October 2025. He said sales activity in November and December indicated a stronger second half to the 2026 financial year in terms of revenue, EBITDA and earnings per share.

Business base and growth strategy

COSOL listed in January 2020 as a digital asset management services business, later acquiring capability to provide asset management specialists to assist owners of heavy asset networks with essential tasks such as maintenance shutdowns, plant utilisation and process optimisation.

Over the intervening six years, COSOL has developed and acquired high level digital and data service capabilities that deliver to clients an ability to efficiently understand the operations and economics of their assets and to extract superior efficiencies.

COSOL's strategy is to gradually build the proportional revenue take from digital and data services, with higher margins and longer-term contracts – and to do this while continuing to grow the original asset management services business beyond the traditional market of providing high-end personnel to the natural resources sector.

FY25 saw a significant pullback in demand for COSOL's asset management services, which is focused on mining and energy. This was mostly due to sentiment in the coal industry where COSOL has traditionally enjoyed strong demand for its people and services.

Subdued demand carried through in the early months of H1 FY26, though improved in the December quarter. COSOL's Asset Management Services division has pivoted towards gold and lithium producers that are focused on maintaining or increasing production levels based on current demand.

This has showed positive early signs with a number of consulting projects sourced from initial engagements in the gold sector, which are being delivered during H2. In H1, revenue growth from this expansion has not offset the impact of lower demand from the coal sector.

In the advisory consulting division, where services are built around digital, data and asset optimisation, revenue was also impacted (-\$800,000) by lower software sales due to a change of commercial approach by IBM under which multi-year sales are now accounted on a year-by-year basis rather than all up-front.

Notwithstanding the lower overall revenue from Consulting, there were several examples of strategically significant activities in this segment for COSOL include:

- COSOL's OnPlan scheduling software hitting \$3.1m in Annual Recurring Revenue (ARR) at 31 December 2025 (up 100% since acquisition in September 2023).
- Providing real-time data analytics and insights for Metro Trains Sydney to maximise efficiencies and economic benefits for the operating consortium.
- Multi-year, ongoing managed services contract with QBuild, the Queensland Government's construction body, for enterprise asset management (Hitachi Ellipse) and digital transformation.
- Continuing the roll out of digital asset management for Department of Transport and Planning of Victoria for enterprise asset management (IBM Maximo) in conjunction with a multi-year managed services agreement.
- Multi-year contract for running the enterprise asset management system (also Ellipse) for WA electricity utility Horizon Power.
- Appointed as preferred transformation partner to a major US East Coast port authority, including multi-year managed services agreement for COSOL EAMaaS platform, and the 18-month implementation project began in November 2025.

Growth in digital and data-led advisory services results in longer-term, contracted revenue from managed services and project-based consulting services, further bolstered by the increase in ARR from OnPlan sales. COSOL's intent is to build this annuity-style revenue to bring greater certainty and stability to the Company's growth outlook.

Results commentary

Mr McGowan said the combination of a significant 'costs out' program and increases in digital and data-led advisory consulting revenue would see COSOL post a stronger result for the second half.

"We are disappointed by the performance of COSOL through 2026, impacting the full year result for FY25 and the first half of the current financial year," he said.

“Our response has been to reduce fixed costs across the business and put a stronger focus on where we see long-term, sustainable profit growth, which is selling our digital and data services to our entire blue-chip customer base.”

Mr McGowan said the other significant step had been the broadening of Mr Stokes’ role in the Company.

“Anthony has assumed responsibility for the operations of the COSOL business focused on cost control, margin protection and expansion, and profitable organic growth,” said Mr McGowan.

“His appointment underscores our commitment to achieving greater stability and certainty over revenue flows in our markets.”

Outlook

COSOL is budgeting for stronger revenue and EBITDA in the second half of FY26 over the subdued first half to 31 December 2025.

The Company is also expecting confirmation of a number of new contracts in digital and data services that will help drive organic growth into FY27.

This announcement was authorised for release by the Board of Directors 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.

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