ASX ANNOUNCEMENT

18 November 2026

SOCO Corporation Ltd (ASX:SOC)
AGM – CEO's Address

Good morning, everyone.

Last year, we spoke about strengthening our foundations, diversifying our client relationships and building a platform for sustainable growth.

Those priorities remain relevant. But the full-yearoutcome in FY26 was not what we wanted to deliver.

Today, I want to explain that result clearly, show what changed in the second half and outline how we are working to make that improvement repeatable.

There are three themes running through the presentation: a year of two halves, our staircase approach to building performance, and the priorities we describe as Streamline, Optimise, Grow.

FY26: Full-year performance

Starting with the full year, revenue was $20.6 million, down 3.1% on FY25.

Gross profit increased to $5.28 million, and gross margin improved to 25.6%. However, these improvements were not sufficient to deliver the earnings result we were targeting for the year.

We reported an underlying EBITDA loss of $430,000 and a statutory loss after tax of $6.35 million, and no dividend was declared for FY26

The statutory result included a $5.12 million non-cash impairment relating to Axsym. That reflects performance below the expectations underpinning the acquisition.

While it is important to distinguish the non-cash impairment from underlying operating performance, we recognise that further improvement in earnings and cash generation is required to deliver sustainable financial performance.

Overall, FY26 was a challenging year, although the improvements achieved in the second half were encouraging. The focus now is to embed those gains and deliver more consistent earnings and cash generation.

A tale of two halves

It was a tale of two halves, and the half-year comparison helps explain the movement in the business.

Revenue increased from $9.7 million in the first half to $10.9 million in the second half.

Gross margin improved from 20.1% to 30.5%.

Underlying EBITDA moved from a loss of $640,000 to a positive contribution of $220,000.

Operating cashflow also improved, moving from an outflow of $740,000 to an inflow of $400,000.

Together, these measures show a meaningful improvement across revenue, margin, underlying earnings and cash generation; reflecting the positive impact of operational improvements made during the year.

To better understand the improvement in our financial performance, I would like to highlight the key changes we made during the year and how these contributed to the stronger results.

What changed in the second half

There were three broad contributors: Sales strategy execution, contracted work moving into delivery, and operating actions taking effect.

Our investment in sales leadership supported the second-half momentum through more targeted new-customer acquisition and stronger account planning and client engagement.

Some engagements that had been delayed commenced during the second half. A major multi-year Defence and National Security programme also ramped up from February.

The increased activity helped utilisation. Alongside it, we continued to align capacity with demand and focus on project execution and delivery economics.

Cost initiatives also contributed. Second-half cost of revenue was 2% lower than the first half, while operating expenses reduced by 8%.

The improvement therefore reflected both timing and deliberate commercial operating actions.

We should not assume that project timing will always work in our favour. What we can control is how effectively we develop client relationships, pursue the right opportunities, mobilise work, manage delivery, maintain cost discipline and respond when conditions change.

Strengthening the underlying business

Beyond the overall financial result, there are several encouraging indicators of progress across the business.

The core SOCO business has recorded three consecutive halves of revenue growth.

Commercial execution has strengthened, with more than $24 million in contracted sales secured across FY26. Second-half contracted sales were more than 40% above the first half.

Support and recurring revenue also increased by 25% from the first half to the second half.

These are useful indicators of progress, but each needs to be understood in context.

Contracted sales are not recognised revenue. They become valuable through mobilisation, successful delivery, margin and cash collection.

Likewise, an ongoing support relationship needs to be well serviced and commercially sound. Recurring revenue is not simply about the contract term, it is about earning a continuing role with the client.

Our objective is to build a business where successful projects lead to deeper relationships and further opportunities to assist.

It is also important to recognize the differences in the customer markets served by Thesoco and Axsym.

Thesoco's refocus on mid-market private sector customers we feel provides access to a larger potential customer base, typically shorter buying cycles and greater flexibility in scheduling work.

Growth in this part of the business is particularly encouraging, supporting our objectives of revenue diversification, resilience and sustainable growth.

The staircase: Building six months by six months

The staircase is a way of explaining how we approach improvement. It is about establishing a stronger operating foundation, sustaining the progress we make and continuing to build from it.

In the first half of FY26, the emphasis was on resetting costs and capability and sharpening our sales and market focus.

In the second half, the emphasis moved to execution: targeting new customers, deepening account engagement and mobilising contracted work, while improving utilisation and translating activity into better margin, underlying earnings and cash flow.

The task now is to embed those disciplines.

That means making account planning, qualification and conversion more consistent, alongside good delivery practices, visibility over project performance and converting contracted work into delivered revenue and cash. It also means developing recurring support and managed-services relationships.

From that base, our aim is to accelerate selectively: building a qualified pipeline in priority sectors, using proven expertise to pursue larger engagements and expanding Microsoft, Data and AI services around client needs. Growth must remain supported by delivery quality and margin discipline.

The staircase represents more than financial improvement. It reflects our focus on strengthening the commercial and operating foundations that support sustainable growth.

Streamline, Optimise, Grow

Our three strategic priorities describe where we are concentrating that effort.

Streamline means preserving margin and cost discipline and making sure contracted work translates into revenue, gross profit and cash.

Optimise means improving the quality and resilience of the business. That includes working-capital performance and increasing support and managed-services revenue.

Grow means building a high-quality pipeline in markets where our capabilities are relevant, while developing Microsoft-aligned and AI capabilities that address practical client needs.

These priorities are connected.

Good delivery builds trust. Trust creates opportunities for ongoing relationships. Stronger capabilities give us more ways to help clients.

The objective is not growth at any cost. It is growth supported by sound delivery economics and the capacity to execute.

Entering FY27: Conversion and consistency

We entered FY27 with approximately $9.5 million of contracted project value carried forward for delivery, with additional booked projects to the value of approximately $5.9 million in Q1 FY27.

That is a solid starting position, not a statement of the remaining forward book today, and it is not financial guidance.

It provides work to execute, but it also brings responsibilities: mobilising the right people, managing scope and timing, delivering well and collecting cash.

Our focus is on conversion and consistency.

We remain focused on project commencement timing, converting pipeline opportunities, maintaining utilisation and managing working capital, recognising that these factors can influence financial performance from period to period, particularly for a business of our size.

Rather than provide a level of certainty that current conditions do not support, our emphasis is on the actions within our control and the quality of our execution.

Three shareholder takeaways

I would like to leave you with three messages.

First, we acknowledge the difficult full-year result. The impairment was significant, and underlying operating performance needs to improve.

Next, the second half demonstrated tangible progress across revenue, gross margin, underlying EBITDA and operating cash flow.

Third, our focus is both execution and growth: converting won work into profitable delivery and cash, while developing our pipeline, deepening client relationships and expanding services around client needs.

I would like to thank our team for their work, our clients for their trust and our shareholders for their continued support.

We have more to do. Our focus is on making the improvement repeatable and building a stronger business through disciplined execution and selective growth.

This announcement has been authorised for release by the Board of SOCO Corporation Ltd.

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ABOUT SOCO

SOCO (ASX:SOC) is a multi-award-winning IT consultancy specialising in the delivery of digital solutions, business applications and integration projects. Since 2013, SOCO has been working shoulder to shoulder with our clients to achieve transformative business outcomes. By placing people at the centre of everything we do, we ensure our focus remains on meeting the unique requirements of our people including employees, clients, and partners.