



30 October 2024

SOCO Corporation Ltd (ASX:SOC)

AGM - Chairman's Address

Dear Fellow Shareholders,

Welcome to the AGM of SOCO Corporation Ltd (SOCO).

Copies of my introductory remarks and Sebastian's operational presentation have been lodged with the ASX and will be published on the Company's web site.

FY24 was a challenging year and also a year of significant changes.

We successfully integrated our first acquisition, Axsym, which helped us grow revenue by 12%. We are delighted to have the Axsym team on board and to see it operating seamlessly with the rest of SOCO.

During the third quarter our CEO Simon Forth resigned. Simon led the Company through its transformation and successful IPO, he was instrumental in transforming SOCO from a private to a public company and we thank him for his considerable contribution.

Sebastian Rizzo was appointed interim CEO in March and was confirmed in the role in August 2024. As one of SOCO's founders, Sebastian brings a wealth of experience and deep insights into our business operations. His leadership is invaluable in realigning key personnel and focussing the business on new clients and margin improvement.

While revenue for the year was up, unfortunately we delivered a significant drop in profit. This was largely due to Federal Government contract pauses. Our CEO, Sebastian Rizzo will present more details of our operations. The project headwinds leading to our poor profit result did not only affect SOCO; there were significant challenges across the whole IT and consulting industry. Management did respond to the more challenging conditions in the third quarter, and this resulted in the company returning to more acceptable profitability in the fourth quarter.

Operating EBITDA² for the first quarter of FY25 has continued to be profitable and at similar revenue levels as Q4 last year. Management have updated their contract wins since we released our FY24 results and as a consequence have

re-affirmed our FY25 revenue guidance of approximately 30% growth in revenue. As per prior years, we expect the second half to be seasonally stronger than the first. Sebastian will provide further insights on this during his operational update.

This year we have changed our executive incentive program to base it on sustained performance over a three-year period, rather than annual results. The Board believes this aligns executive incentives with the best interests of shareholders.

Following review, we also changed our revenue recognition policy such that for licencing revenue, only the margin would be recognised as revenue. This resulted in the restatement of both FY23 and FY24 revenue but did not change the reported profit.

I would now like to invite Sebastian to present an operational update.

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

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ABOUT SOCO

SOCO (ASX:SOC) is one of the few sovereign Australian IT consultancies. SOCO's consulting teams solve business problems by applying and modernising IT systems to improve business processes - digitally transformational outcomes. Key to SOCO's success is the 4D methodology (Discover, Design, Deliver, Drive®), designed to place clients at the heart of the business, creating a genuine partnership every step of the way. SOCO's target markets include federal government, local and state government, along with large corporates. As a people business, SOCO seeks to maintain competitive advantage by creating exceptional employment experiences for our team.

1. Operating EBIT is a non-IFRS metric and is calculated as net profit before interest, fair value of contingent consideration, acquisition costs, IPO expense, public company cost, share-based remuneration, and taxes. These measures, which are unaudited, are important to management as an additional way to evaluate the Group's performance.
2. Operating EBITDA is Operating EBIT before depreciation and amortisation.