

## 1. Company details

Name of entity:	SOCO Corporation Ltd
ABN:	61 660 362 201
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	3.6% to	21,289,709
Profit from ordinary activities after tax	up	114.0% to	68,275
Profit for the year	up	114.0% to	68,275
		<b>2025 Cents</b>	<b>2024 Cents</b>
Basic earnings per share		0.05	(0.36)
Diluted earnings per share		0.05	(0.36)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

SOCO Corporation Ltd ('SOCO' or the 'Company') delivered revenue of \$21,289,709, representing a 3.6% increase on the prior corresponding period ('pcp'). The Company returned to statutory profitability, reporting Net Profit After Tax ('NPAT') of \$68,275, a turnaround from the prior year's loss of \$486,170. Net Profit After Tax and Amortisation ('NPATA') was \$545,007, reflecting the exclusion of tax-effected amortisation of acquired intangibles.

Gross margin improved to 24.2%, up from 23.5% on the pcp, driven by improved utilisation and delivery discipline. Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA') was \$208,718, up from a loss of \$33,239.

Revenue in the second half of the year represented approximately 48% of full-year revenue, compared to a historical average of ~55%, impacted by procurement delays and pre-election caution within the federal government. This was partly offset by growth in corporate and state government clients. As a result, non-federal government revenue increased to 64.4%, up from 58.6% in FY24, and the active client base grew to 131.

Key operational initiatives during the year included:

- Right-sizing of the workforce to align with demand and margin objectives;
- Strategic leadership hires to strengthen delivery and commercial capability;
- Systems uplift to enhance forecasting, margin control, and reporting accuracy.

The Company achieved positive cash conversion, with net cash of \$1.1 million at year end and access to an unused debt facility of \$1.5 million. The facility amortises monthly and expires in December 2026.

The Company's net tangible assets per ordinary security increased to 0.37 cents, up from 0.11 cents in FY24. Total shares on issue at year end were 139,355,091.

The Directors consider Underlying EBITDA to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items. The Group's reconciliation of its statutory NPAT for the current and previous year to Underlying EBITDA is as follows:

	<b>2025</b> <b>\$</b>	<b>2024</b> <b>\$</b>	<b>Change</b> <b>%</b>
Revenue	<u>21,289,709</u>	<u>20,559,570</u>	<u>3.6%</u>
Underlying EBITDA <sup>2</sup>	208,718	(33,239)	727.9%
Depreciation	(356,990)	(268,904)	(32.8%)
Amortisation of intangibles	(635,643)	(443,472)	(43.3%)
Underlying EBIT <sup>1</sup>	(783,915)	(745,615)	(5.1%)
Net interest	(135,647)	39,237	(445.7%)
Net loss before income tax and significant items	(919,562)	(706,378)	(30.2%)
<i>Significant items:</i>			
Fair value of contingent consideration	798,250	716,662	11.4%
Acquisition costs	-	(440,700)	100.0%
Share-based remuneration	(47,554)	(281,784)	83.1%
Net loss before income tax expense	(168,866)	(712,200)	76.3%
Income tax benefit	237,141	226,030	4.9%
Net profit/(loss) after income tax expense	<u>68,275</u>	<u>(486,170)</u>	<u>114.0%</u>
NPATA <sup>3</sup>	<u>545,007</u>	<u>(153,566)</u>	<u>454.9%</u>

- (1) Underlying EBIT is a non-IFRS metric and is calculated as net loss before interest, fair value of contingent consideration, acquisition costs, 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) Underlying EBITDA is Underlying EBIT before depreciation and amortisation.
- (3) NPATA is net profit/(loss) after tax and before the tax-effected amortisation of acquired intangibles.

### 3. Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>0.37</u>	<u>0.11</u>
Calculated as follows:		
	<b>2025</b> <b>\$</b>	<b>2024</b> <b>\$</b>
Net assets	8,459,303	8,345,124
Less: Right-of-use assets	(713,175)	(966,243)
Less: Intangibles	(7,984,326)	(8,505,107)
Add: Lease liabilities	778,686	998,417
Add: Deferred tax liability	793,113	283,692
Less: Deferred tax asset	(815,969)	-
Net tangible assets	<u>517,632</u>	<u>155,883</u>
	<b>2025</b> <b>Number of shares</b>	<b>2024</b> <b>Number of shares</b>
Total shares issued at period end	<u>139,355,091</u>	<u>138,250,265</u>

### 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

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## 6. Dividends

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

	Amount per security Cents	Franked amount per security Cents
Fully franked final dividend for the year ended 30 June 2023	0.50	0.50

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## 7. Dividend reinvestment plans

Not applicable.

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## 8. Details of associates and joint venture entities

Not applicable.

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## 9. Foreign entities

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

Not applicable.

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## 10. 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.

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## 11. Attachments

### *Details of attachments (if any):*

The Annual Financial Report of SOCO Corporation Ltd for the year ended 30 June 2025 is attached.

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## 12. Authority for release

Authorised for release by the Board of Directors.

29 August 2025

# **SOCO Corporation Ltd**

ABN 61 660 362 201

## **Annual Financial Report - 30 June 2025**

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Directors	Thomas Stianos - Chair Khatiza Brown Sebastian Rizzo Thomas Rock
Chief Executive Officer	Sebastian Rizzo
Company Secretary	Tristan Garthe
Registered office	Level 4 120 Edward Street Brisbane QLD 4000
Principal place of business	Level 4 120 Edward Street Brisbane QLD 4000 Phone: 1300 364 833
Share register	Automic Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664 Email: <a href="mailto:hello@automic.com.au">hello@automic.com.au</a>
Auditor	RSM Australia Partners Level 3 488 Queen Street Brisbane QLD 4000 <a href="http://www.rsm.com.au">www.rsm.com.au</a>
Solicitors	McCullough Robertson Level 11 66 Eagle Street Brisbane QLD 4000 <a href="http://www.mccullough.com.au">www.mccullough.com.au</a>
Stock exchange listing	SOCO Corporation Ltd shares are listed on the Australian Securities Exchange (ASX code: SOC)
Website	<a href="http://www.soco.com.au">www.soco.com.au</a>
Corporate Governance Statement	<p>The Directors and management are committed to conducting the business of SOCO Corporation Ltd in an ethical manner and in accordance with the highest levels of corporate governance. SOCO Corporation Ltd has adopted and complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations'), to the extent appropriate for the size and nature of SOCO Corporation Ltd's operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report, can be found at:  <a href="http://www.soco.com.au/corporate-governance/">www.soco.com.au/corporate-governance/</a></p>

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'SOCO') consisting of SOCO Corporation Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

### **Directors**

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

Thomas Stianos - Chair  
 Khatiza Brown  
 Sebastian Rizzo  
 Thomas Rock

### **Principal activities**

During the financial year the principal activities of the Group was as an IT consultancy business, specialising in the delivery of cloud solutions, business applications and integration projects with a focus on Microsoft solutions.

### **Dividends**

Dividends paid during the financial year were as follows:

	2025 \$	2024 \$
Final dividend for the year ended 30 June 2023 of 0.5 cents per ordinary share, fully franked	-	636,312

### **Review of operations**

SOCO Corporation Ltd ('SOCO' or the 'Company') delivered revenue of \$21,289,709, representing a 3.6% increase on the prior corresponding period ('pcp'). The Company returned to statutory profitability, reporting Net Profit After Tax ('NPAT') of \$68,275, a turnaround from the prior year's loss of \$486,170. Net Profit After Tax and Amortisation ('NPATA') was \$545,007, reflecting the exclusion of tax-effected amortisation of acquired intangibles.

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## **Business risks**

The Company is subject to risks that are specific to the Group and risks that are of a general nature. All these risks may threaten both the current and future operating and financial performance of the Group. A number of these risks are beyond the control and influence of the Directors and management of the Company, but the Group has mitigation strategies in place to manage the impact of these risks should they occur. The material risks and how they are managed are presented below.

### *Competition*

The Group believes it has a competitive business model however there is a risk that existing competitors or new entrants may emerge in the market. These competitors may disrupt the market with increased marketing activities, and more competitive pricing. The ability to attract new clients will in part depend on SOCO's reputation along with its ability to communicate the value and security that it offers. As a people business, SOCO seeks to maintain competitive advantage by creating an exceptional employment experience for the SOCO team. In addition, the Group has widened its footprint to include offices in Sydney, Melbourne and Perth.

### *Ability to attract and retain key personnel*

The Group's ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments and achieve forecast revenues. Additionally, increases in recruitment and salary costs may adversely impact upon the financial performance of the Group. The Group seeks to attract and retain key talent through maintaining a rewarding and flexible workplace.

### *Law and regulatory compliance*

The Group is required to maintain compliance with all applicable laws and regulations. These include requirements related to various Australian employment laws and policies, such as the Fair Work Act 2009 (Cth). Failure to comply with such laws and regulations could result in regulatory action or other claims which could have an adverse impact on SOCO's reputation, financial performance and profitability. SOCO has management processes and quality assurance processes in place to manage compliance with applicable laws and regulations.

### *Reliance on Microsoft platform*

SOCO is focussed on the Microsoft platform. If this ecosystem is compromised, Microsoft's reputation is negatively impacted, or if the Federal Government were to change or distance its investment with Microsoft's technology platform, this could negatively affect SOCO's financial results. SOCO would seek to mitigate this through assessing other platforms that may evolve as a result and leverage its reputation with existing clients.



*General economic conditions*

SOCO's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions could have an adverse impact on the Group's operating and financial performance. The Group has a strong balance sheet and maintains a conservative cash position to support the Group if required.

*Climate related*

SOCO considers the strategic and financial impacts of climate change. Whilst not considered an immediate material risk for SOCO with its current operations, it may impact corporate strategies, investor decisions, governance and future prospects as the regulatory and reporting environment as well as investor expectations evolve.

**Significant changes in the state of affairs**

On 1 November 2023 the Company acquired 100% of the issued shares in Axsym Technology Pty Ltd ('Axsym'). The purchase price included contingent consideration of up to \$3,193,000 (\$1,596,500 relating to FY24 performance and \$1,596,500 relating to FY25 performance) which was payable in cash, subject to Axsym achieving agreed EBITDA targets for FY24 and FY25.

The agreement referenced FY24 and FY25 as being the earnout measurement periods despite FY24 already being well along. An amendment to the original share sale deed was fully executed on 29 August 2024 resetting the measurement periods from FY24 and FY25, to FY25 and FY26 respectively. The quantum of the earnout did not change.

	Measurement period			Maximum
	FY24	FY25	FY26	Earnout
	\$	\$	\$	\$
<b>Axsym Technology Pty Ltd</b>				
<i>Contingent consideration:</i>				
Share sale deed - original	1,596,500	1,596,500	-	3,193,000
Share sale deed - amendment	-	1,596,500	1,596,500	3,193,000

Under the amended agreement, the amounts may become payable at the end of the new measurement periods if EBITDA targets are met. The Axsym FY25 EBITDA target was not met, and the Directors' have assessed that it is unlikely that the FY26 EBITDA target will be met. As such, an adjustment to the fair value of contingent consideration has been recognised in the consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2025.

There were no other significant changes in the state of affairs of the Group during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Likely developments and expected results of operations**

The Group will continue to pursue its principal activities as an IT consultancy, specialising in the delivery of cloud solutions, business applications and integration projects; with a focus on Microsoft solutions. The activities are not expected to materially change in the foreseeable future.

**Environmental regulation**

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

## Information on Directors

Name:	<b>Thomas Stianos</b>
Title:	Independent Non-Executive Director
Qualifications:	Thomas ('Tom') holds a Bachelor of Applied Science from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Tom has over 30 years' experience in the IT and consulting industry with extensive experience in the governance of ASX listed company boards. Until November 2021 Tom was Non-executive Chair of Empired Limited (ASX:EPD), a Microsoft systems integrator and managed service provider with over 1,000 staff across Australia and New Zealand. He was previously CEO and Managing Director of SMS Management & Technology Ltd (ASX:SMX) an IT consulting and systems integration company employing 1,682 staff and with revenue of \$335.8 million.
Other current directorships:	Non-Executive Director of Xref Ltd (appointed October 2021) Non-Executive Director of Gale Pacific Ltd (appointed October 2017)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in shares:	492,134 ordinary shares (indirectly held)
Interests in options:	1,000,000 options over ordinary shares (indirectly held)
Interests in rights:	None
Name:	<b>Khatiza Brown</b>
Title:	Independent Non-Executive Director
Qualifications:	Khatiza holds a BA (Hons) in Accounting & Finance, a Post Graduate Diploma in Applied Statistics and Computing and a Graduate Diploma in Applied Corporate Governance. She is a member of Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and a qualified CPA.
Experience and expertise:	Khatiza has over 25 years' experience working as a corporate governance, corporate services and finance executive in Australia, South Africa and the United Kingdom. She has significant company secretarial, financial management, HR, IT and strategy formulation and delivery experience gained within allied health, management consulting, manufacturing, mining and service sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee Member of the Nomination and Remuneration Committee
Interests in shares:	413,518 ordinary shares (directly held)
Interests in options:	200,000 options over ordinary shares (directly held)
Interests in rights:	None
Name:	<b>Sebastian Rizzo</b>
Title:	Executive Director and Chief Executive Officer. Sebastian was Interim Chief Executive Officer from 1 March 2024 to 28 August 2024 and Chief Executive Officer from 29 August 2024.
Qualifications:	Sebastian holds a Master of Business Administration (Technology) from the University of New South Wales and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Sebastian has over 20 years' IT industry technical experience and was co-founder and spent 6 years as the former chief executive officer of SOCO before resuming that role in March 2024 following the resignation of Simon Forth. Under his leadership SOCO achieved five years of sustained growth and development. As Chief Executive Officer, Sebastian focuses on developing SOCO's growing portfolio of service offerings and clients.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	42,553 ordinary shares (directly held) 21,182,079 ordinary shares (indirectly held)
Interests in options:	None
Interests in rights:	892,857 rights over ordinary shares

Name:	<b>Thomas Rock</b>
Title:	Executive Director
Qualifications:	Thomas ('Tom') holds a Master of Engineering specialising in Electronic Engineering and Computer Science from University of Sheffield and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Tom has over 15 years' experience working in the IT industry and, as a co-founder, been a driving force behind SOCO's branding, market offering and methodology, people, culture, and values. Tom currently works in the business as an Executive Director collaborating closely with the CEO and executive team to shape SOCO's long term vision and execute on strategically important initiatives.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	209,292 ordinary shares (directly held) 19,854,552 ordinary shares (indirectly held)
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

#### **Company secretary**

Name:	<b>Tristan Garthe</b>
Title:	Interim Chief Financial Officer and Company Secretary (appointed 15 July 2025)
Qualifications:	Tristan is a Fellow of CPA Australia, holds an MBA, a Diploma of Applied Finance, and is a Graduate of the Australian Institute of Company Directors.
Experience and expertise:	Tristan has over 20 years of financial and strategic expertise with a strong record of success in capital management, governance, and operational optimisation. He has held key roles with ASX-listed companies, where he has been pivotal in shaping financial strategy, securing capital, and overseeing complex transactions. His extensive background in financial management and governance has enabled companies to achieve significant growth and operational efficiency.

Name:	<b>Stephen Parks</b>
Title:	Former Chief Financial Officer and Company Secretary (resigned 31 July 2025)
Qualifications:	Stephen ('Steve') holds a Bachelor of Commerce from the University of Canterbury and is a Fellow of the Institute of Public Accountants.
Experience and expertise:	Steve has over 20 years senior financial experience with private and public companies (ranging from \$20 million to \$400 million turnover). He has executed on strategic initiatives, mergers and acquisitions, information technology, and risk management. Before joining SOCO, Steve was the CFO and Company Secretary for Big River Industries Ltd (ASX:BRI) where he played a key role in the transition from family ownership, through to IPO in 2017, subsequent acquisition activity and significant growth.

### Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	<i>Full Board</i>		<i>Nomination and Remuneration Committee</i>		<i>Audit and Risk Committee</i>	
	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>
Thomas Stianos	12	12	2	2	5	5
Khatiza Brown	12	12	2	2	5	5
Sebastian Rizzo	12	12	2	2	5	5
Thomas Rock	12	12	2	2	5	5

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

### **Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The policy reflects SOCO Corporation Ltd as a listed entity. The policy described hereon is for the current year.

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 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
- Additional information
- Additional disclosures relating to key management personnel

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

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

#### ***Non-executive Directors' remuneration***

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive Directors are eligible to participate in the Company's Omnibus Plan (refer below for further information).

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination by the shareholders approved a maximum annual aggregate remuneration of \$400,000.

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term performance incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments may be granted in the form of cash or share-based payments to senior executives based on achievement of financial hurdles principally relating to revenue and earnings before interest, tax, depreciation and amortisation ('EBITDA').

The long-term incentive ('LTI') program includes the Omnibus Incentive Plan, which offers participants share-based payments. Further details are provided below.

#### **Share-based payment plans**

The Group has the following option plans in existence:

##### Omnibus Plan

The Group has adopted a long-term incentive plan in connection with its admission to the ASX, the Omnibus Incentive Plan ('Omnibus Plan').

Key employees identified by the Board will be offered participation under the Omnibus Plan in the form of ordinary shares, options or rights. Each Director is eligible to participate in the Omnibus Plan.

The vesting of the shares, options or rights may be subject to the satisfaction of service-based conditions and performance hurdles which, when satisfied, will allow participating employees to receive shares or vested options or rights which are exercisable over shares.

Awards of fully paid ordinary shares, options, performance rights and share appreciation rights can be made under the Omnibus Plan.

Shares can be granted to the participants under a free grant (receiving an allocation of shares for no consideration) or salary contribution agreement.

An option confers a right to acquire a share during the exercise period, subject to the satisfaction of any vesting conditions, the payment of the exercise price for the option (including through a cashless exercise facility) set out in the offer, and otherwise in the manner required by the Board and specified by the offer.

A participant under the Omnibus Plan does not have a right to participate in dividends on shares or a further issue of shares until shares are issued, transferred or allocated under the terms of an offer, including on exercise or vesting of the security or right.

A performance right confers an entitlement to be issued, transferred or allocated one share after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions, and any other requirements contained in the offer.

A share appreciation right confers an entitlement to be issued, transferred or allocated the number of shares calculated under the terms of the Omnibus Plan after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions and any other requirement contained in the offer. The Board may decide, in its absolute discretion to substitute the issue, transfer or allocation of these shares for the payment of a cash amount.

The Omnibus Plan contains provisions for the Board to deal with securities issued under the Omnibus Plan in the event of a change of control trigger event, which includes the ability to:

- (a) buy-back or accelerate the vesting of options or performance rights, arrange replacement securities on similar economic terms in a bidder, allow the options or performance rights to continue on their terms, or proceed with any combination of the alternatives;
- (b) accelerate vesting (including on a pro rata basis) of share appreciation rights; and
- (c) provide under an offer document for a particular treatment of shares issued under the Omnibus Plan upon the occurrence of a change of control trigger event.

Each participant under the Omnibus Plan grants to the Company a power of attorney to perform any act required in respect of actions available to the Company on a change of control trigger event.

The Omnibus Plan includes provisions consistent with the Listing Rules to permit an adjustment to the number of shares that may be issued on exercise or vesting of a security issued under the Omnibus Plan in the event of a reorganisation of the Company's capital.

#### *FY25 Performance Rights*

The Company granted a total of 1,415,513 performance rights to S Rizzo and S Parks on 8 November 2024 under the terms of the Omnibus Plan.

The key terms of the FY25 Performance Rights are:

- (a) **Entitlements:** Each right entitles the holder to subscribe for one ordinary share upon exercise of the right.
- (b) **Exercise price:** \$0.00 per right.
- (c) **Vesting conditions:** The employee must remain an employee until at least 1 July 2027. The total number of rights that may vest will be determined based on achievement of the following performance milestone:  
Group basic earnings per share for the financial year ended 30 June 2027 is greater or equal to 2.1 cents per share based on the Group's consolidated audited FY27 financial statements. Failure to meet this milestone will mean no FY25 Performance Rights will vest.
- (d) **Expiry date:** The expiry date is the earlier of: (i) if the vesting conditions are not satisfied, the date on which the holder voluntarily vacates their employment; and (ii) in respect of any portion of the options for which the vesting conditions have been satisfied, being 15 business days after the FY27 consolidated audited financial statements are lodged on the ASX (for the purpose of valuations, assumed to be 21 September 2027).
- (e) **Exercise period:** Subject to satisfaction of the vesting conditions, the exercise period commences from the date the vesting conditions are satisfied and ends on the relevant expiry date.

#### *Non-executive Director Options*

The Company granted a total of 1,200,000 options to the independent non-executive Directors on 18 November 2022 under the terms of the Omnibus Plan ('NED Options').

The key terms of the NED Options are:

- (a) **Entitlements:** Each NED Option entitles the holder to subscribe for one ordinary share upon exercise of the NED Option.
- (b) **Exercise price:** \$0.20 per option.
- (c) **Vesting conditions:** The holder has not resigned as a director of the Company on the date that is 2 years after the issue date of the NED Options, or a change of control transaction occurs.
- (d) **Expiry date:** The expiry date for the NED Options is the earlier of: (i) if the vesting conditions are not satisfied, the date on which the holder voluntarily vacates their office as a director of the Company; and (ii) the date that is 5 years after the issue date.
- (e) **Exercise period:** Subject to satisfaction of the vesting conditions, the exercise period for the NED Options commences from the date the vesting conditions are satisfied and ends on the relevant expiry date.

*Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last two years.

*Use of remuneration consultants*

During the financial year ended 30 June 2025, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

**Details of remuneration**

The key management personnel of the Group consisted of the following Directors of SOCO Corporation Ltd:

- Thomas Stianos - Chair
- Khatiza Brown
- Sebastian Rizzo
- Thomas Rock

And the following person:

- Stephen Parks - Chief Financial Officer and Company Secretary

Changes since the end of the reporting period:

Stephen Parks resigned on 31 July 2025.

*Amounts of remuneration*

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

	Cash salary and fees	Short-term benefits Leave benefits <sup>(3)</sup>	Non monetary <sup>(4)</sup>	STI program	Post- employment benefits Super- annuation	Long-term benefits Leave benefits <sup>(1)</sup>	Share- based payments Equity- settled <sup>(2)</sup>	Total
2025	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive</i>								
<i>Directors:</i>								
T Stianos	120,000	-	-	-	-	-	12,943	132,943
K Brown	49,510	-	-	-	5,694	-	2,581	57,785
<i>Executive</i>								
<i>Directors:</i>								
S Rizzo	200,000	7,023	17,391	-	23,000	3,346	-	250,760
T Rock**	144,171	(1,320)	9,990	-	16,580	(25,956)	-	143,465
<i>Other Key Management Personnel:</i>								
S Parks*	262,860	10,871	15,031	-	30,187	4,808	-	323,757
	776,541	16,574	42,412	-	75,461	(17,802)	15,524	908,710

\* S Parks resigned effective 31 July 2025.

\*\* T Rock worked part-time during the period.

(1) Long-term leave benefits represent movements in accrued long service leave entitlements.

(2) The value of the equity settled remuneration was determined as the fair value of the options or shares at the grant date. The value disclosed is the portion of the fair value recognised as an expense in the reporting period. No value was attributed to the performance rights issued on 8 November 2024 for FY2025.

(3) Short-term leave benefits represent movements in accrued annual leave entitlements.

(4) The non-monetary component primarily represents the cost (including fringe benefits tax) of providing a car parking space.



		Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
	Cash salary and fees	Leave benefits <sup>(3)</sup>	Non monetary <sup>(4)</sup>	STI program	Super-annuation	Leave benefits <sup>(1)</sup>	Salary <sup>(5)</sup>	Equity-settled <sup>(2)</sup>	Total
2024	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>									
T Stianos	120,000	-	-	-	-	-	-	33,756	153,756
K Brown	40,724	-	-	-	4,480	-	-	6,756	51,960
<i>Executive Directors:</i>									
S Rizzo	200,000	6,074	14,994	-	22,000	13,678	-	-	256,746
T Rock	137,527	11,907	14,994	-	15,128	7,485	-	-	187,041
<i>Other Key Management Personnel:</i>									
S Parks	250,360	9,615	13,757	-	27,500	4,167	-	840	306,239
S Forth*	182,155	(18,725)	-	-	24,406	(7,556)	83,333	123,640	387,253
	930,766	8,871	43,745	-	93,514	17,774	83,333	164,992	1,342,995

\* S Forth resigned effective 29 February 2024.

(1) Long-term leave benefits represent movements in accrued long service leave entitlements.

(2) The value of the equity settled remuneration was determined as the fair value of the options or shares at the grant date. The value disclosed is the portion of the fair value recognised as an expense in the reporting period.

(3) Short-term leave benefits represent movements in accrued annual leave entitlements, or payment on termination of employment.

(4) The non-monetary component primarily represents the cost (including fringe benefits tax) of providing a car parking space.

(5) Salary in lieu of notice.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
T Stianos	90%	78%	-	-	10%	22%
K Brown	96%	87%	-	-	4%	13%
<i>Executive Directors:</i>						
S Rizzo	100%	100%	-	-	-	-
T Rock	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
S Parks	100%	100%	-	-	-	-
S Forth	-	68%	-	-	-	32%

### **Service agreements**

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

**Name:** **Sebastian Rizzo**  
**Title:** Executive Director and Chief Executive Officer  
**Agreement commenced:** 1 July 2022  
**Term of agreement:** No fixed term  
**Details:** A total fixed remuneration ('TFR') cost of \$223,000 per annum including statutory superannuation contributions. The TFR increases to \$224,000 from 1 July 2025. Either Sebastian or the Company may terminate the employment contract by giving three months' written notice to the other party.

**Name:** **Thomas Rock**  
**Title:** Executive Director  
**Agreement commenced:** 1 July 2022  
**Term of agreement:** No fixed term  
**Details:** A TFR cost of \$223,000 per annum including statutory superannuation contributions. The TFR increases to \$224,000 from 1 July 2025. Either Tom or the Company may terminate the employment contract by giving three months' written notice to the other party.

**Name:** **Stephen Parks**  
**Title:** Chief Financial Officer and Company Secretary  
**Agreement commenced:** 4 July 2022  
**Term of agreement:** No fixed term  
**Details:** A TFR cost of \$292,687 per annum including statutory superannuation contributions. The TFR increases to \$294,000 from 1 July 2025. Either Steve or the Company may terminate the employment contract by giving three months' written notice to the other party.

Non-Executive Directors remuneration is determined periodically by a general meeting. Non-Executive Directors may terminate their employment by giving written notice to the Company.

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

### **Share-based compensation**

#### **Issue of shares**

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

#### **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:

<i>Name</i>	<i>Number of options granted</i>	<i>Grant date</i>	<i>Expiry date</i>	<i>% vested</i>	<i>Exercise price</i>	<i>Fair value per option at grant date</i>
T Stianos	1,000,000	18 Nov 2022	18 Nov 2027	100%	\$0.2000	\$0.0675
K Brown	200,000	18 Nov 2022	18 Nov 2027	100%	\$0.2000	\$0.0675

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

<i>Name</i>	<i>Number of options granted during the year 2025</i>	<i>Number of options granted during the year 2024</i>	<i>Number of options vested during the year 2025</i>	<i>Number of options vested during the year 2024</i>
T Stianos	-	-	1,000,000	-
K Brown	-	-	200,000	-
S Parks	-	259,921	-	-

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

<i>Name</i>	<i>Value of options granted during the year \$</i>	<i>Value of options exercised during the year \$</i>	<i>Value of options lapsed during the year \$</i>	<i>Remuneration consisting of options for the year %</i>
T Stianos	-	-	-	10%
K Brown	-	-	-	4%

#### *Performance rights*

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

<i>Name</i>	<i>Number of rights granted</i>	<i>Grant date</i>	<i>Vesting date and exercisable date</i>	<i>Expiry date</i>	<i>Share price hurdle for vesting</i>	<i>Fair value per right at grant date</i>
S Rizzo	892,857	8 Nov 2024	1 Jul 2027	21 Sep 2027*	\$0.0000	\$0.9090
S Parks	522,656	8 Nov 2024	1 Jul 2027	21 Sep 2027*	\$0.0000	\$0.9090

\* The expiry date is 15 business days after the FY27 consolidated audited financial statements are lodged on the ASX (assumed to be 21 September 2027).

Performance rights granted carry no dividend or voting rights.

There was no value attributed to the performance rights in this financial year.

There were no other performance rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

#### *Additional information*

The earnings of the Group for the four years to 30 June 2025 are summarised below:

	<i>2025 \$</i>	<i>2024 \$</i>	<i>2023 \$</i>	<i>2022 \$</i>
Sales revenue	21,289,709	20,559,570	18,405,227	13,432,984
EBITDA <sup>(1)</sup>	959,414	(39,061)	2,342,903	2,692,739
Profit/(loss) after income tax	68,275	(486,170)	1,482,223	1,800,061

(1) EBITDA is a non-IFRS metric and is calculated as net profit before interest, depreciation, amortisation and income tax.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022
Share price at financial year end (\$)	0.06	0.11	0.23	-
Total dividends declared (cents per share)	-	0.50	3.62	1.20
Basic earnings per share (cents per share)	0.05	(0.36)	1.31	1.88
Diluted earnings per share (cents per share)	0.05	(0.36)	1.29	1.88

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<i>Balance at the start of the year</i>	<i>Received as part of remuneration</i>	<i>Additions<sup>(1)</sup></i>	<i>Disposals/ other</i>	<i>Balance at the end of the year</i>
<b>Ordinary shares</b>					
T Stianos	161,319	-	330,815	-	492,134
K Brown	-	-	413,518	-	413,518
S Rizzo	20,237,732	-	986,900	-	21,224,632
T Rock	20,463,844	-	-	(400,000)	20,063,844
S Parks	1,083,015	-	37,666	-	1,120,681
	<u>41,945,910</u>	<u>-</u>	<u>1,768,899</u>	<u>(400,000)</u>	<u>43,314,809</u>

(1) Additions represent shares purchased in on-market and off-market trades.

**Option holding**

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year<sup>(1)</sup></i>
<b>Options over ordinary shares</b>					
T Stianos	1,000,000	-	-	-	1,000,000
K Brown	200,000	-	-	-	200,000
S Rizzo	-	-	-	-	-
T Rock	-	-	-	-	-
S Parks	259,921	-	-	(259,921)	-
	<u>1,459,921</u>	<u>-</u>	<u>-</u>	<u>(259,921)</u>	<u>1,200,000</u>

(1) All options at year end have vested and are exercisable.

*Performance rights holding*

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year<sup>(1)</sup></i>
<i>Performance rights over ordinary shares</i>					
T Stianos	-	-	-	-	-
K Brown	-	-	-	-	-
S Rizzo	-	892,857	-	-	892,857
T Rock	-	-	-	-	-
S Parks	-	522,656	-	(522,656)	-
	-	1,415,513	-	(522,656)	892,857

(1) Performance rights at the end of the year are unvested and not exercisable

*Other transactions with key management personnel and their related parties*

There are no other transactions and balances related to key management personnel and/or their related parties that need to be disclosed.

***This concludes the remuneration report, which has been audited.***

### Shares under option

Unissued ordinary shares of SOCO Corporation Ltd under option at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under option</i>
18 November 2022	18 November 2027	\$0.2000	1,200,000
23 December 2022	20 December 2026	\$0.3000	3,125,000
			<u>4,325,000</u>

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.

### Shares under performance rights

Unissued ordinary shares of SOCO Corporation Ltd under performance rights at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under rights</i>
8 November 2024	21 September 2027*	\$0.0000	3,024,997

\* The expiry date is 15 business days after the FY27 consolidated audited financial statements are lodged on the ASX (assumed to be 21 September 2027).

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.

### Shares issued on the exercise of options

The following ordinary shares of SOCO Corporation Ltd were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

<i>Date options granted</i>	<i>Exercise price</i>	<i>Number of shares issued</i>
3 October 2023	\$0.0000	500,000
5 October 2023	\$0.0000	189,393
		<u>689,393</u>

### Shares issued on the exercise of performance rights

There were no ordinary shares of SOCO Corporation Ltd issued on the exercise of performance rights during the year ended 30 June 2025 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 28 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 28 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 (including Independence Standards) 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.

**Officers of the Company who are former partners of RSM Australia Partners**

There are no officers of the Company who are former partners of RSM Australia Partners.

**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.

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



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Thomas Stianos  
Chair

29 August 2025  
Brisbane

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of SOCO Corporation Ltd and its controlled entities for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

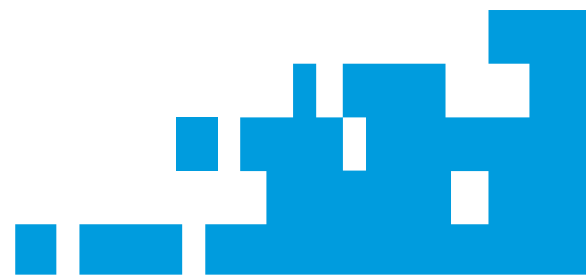
- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, likely belonging to Steve Stavrou.**STEVE STAVROU**

Partner

Brisbane, QLD

Dated: 29 August 2025





**SOCO Corporation Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**



	<b>Note</b>	<b>2025</b> <b>\$</b>	<b>2024</b> <b>\$</b>
<b>Revenue</b>			
Revenue from contracts with customers	5	21,289,709	20,559,570
Cost of providing services		<u>(16,140,239)</u>	<u>(15,721,231)</u>
Gross margin		<u>5,149,470</u>	<u>4,838,339</u>
<b>Other income</b>			
Other income	6	798,250	716,662
Interest income		10,394	65,677
<b>Expenses</b>			
Depreciation and amortisation expense	7	(992,633)	(712,376)
Loss on disposal of assets		(6,015)	(36,257)
Selling and marketing expense		(383,596)	(394,050)
Occupancy expense		(151,658)	(199,074)
General and administrative expense	7	(4,447,037)	(4,523,981)
Acquisition costs		-	(440,700)
Finance costs	7	<u>(146,041)</u>	<u>(26,440)</u>
<b>Loss before income tax benefit</b>		<u>(168,866)</u>	<u>(712,200)</u>
Income tax benefit	8	<u>237,141</u>	<u>226,030</u>
<b>Profit/(loss) after income tax benefit for the year</b>		<u>68,275</u>	<u>(486,170)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>68,275</u></u>	<u><u>(486,170)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	36	0.05	(0.36)
Diluted earnings per share	36	0.05	(0.36)

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

	<b>Note</b>	<b>2025</b> \$	<b>2024</b> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,513,471	2,310,401
Trade and other receivables	10	2,516,124	2,838,171
Contract assets	11	79,173	145,471
Income tax refund due	8	141,974	-
Other assets	12	383,504	225,484
<b>Total current assets</b>		<u>4,634,246</u>	<u>5,519,527</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	273,011	187,244
Right-of-use assets	14	713,175	966,243
Intangible assets	15	7,984,326	8,505,107
Deferred tax	8	815,969	-
<b>Total non-current assets</b>		<u>9,786,481</u>	<u>9,658,594</u>
<b>Total assets</b>		<u>14,420,727</u>	<u>15,178,121</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	2,122,342	2,500,491
Contract liabilities	17	553,713	596,152
Borrowings	18	-	416,667
Lease liabilities	19	246,783	219,730
Income tax	8	-	74,873
Employee benefits	20	884,087	829,724
<b>Total current liabilities</b>		<u>3,806,925</u>	<u>4,637,637</u>
<b>Non-current liabilities</b>			
Borrowings	18	416,667	-
Lease liabilities	19	531,903	778,687
Deferred tax	8	793,113	283,692
Employee benefits	20	412,816	399,968
Contingent consideration	21	-	733,013
<b>Total non-current liabilities</b>		<u>2,154,499</u>	<u>2,195,360</u>
<b>Total liabilities</b>		<u>5,961,424</u>	<u>6,832,997</u>
<b>Net assets</b>		<u>8,459,303</u>	<u>8,345,124</u>
<b>Equity</b>			
Issued capital	22	8,291,411	8,068,678
Reserves	23	217,563	394,392
Accumulated losses		(49,671)	(117,946)
<b>Total equity</b>		<u>8,459,303</u>	<u>8,345,124</u>

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

**SOCO Corporation Ltd**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2025**



	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2023	5,245,411	239,421	1,004,536	6,489,368
Loss after income tax benefit for the year	-	-	(486,170)	(486,170)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(486,170)	(486,170)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 22)	2,718,581	-	-	2,718,581
Share-based payments (note 37)	-	227,158	-	227,158
Exercise of options (note 22)	41,885	(9,386)	-	32,499
Exercise of performance options (note 22)	62,801	(62,801)	-	-
Dividends paid (note 24)	-	-	(636,312)	(636,312)
Balance at 30 June 2024	<u>8,068,678</u>	<u>394,392</u>	<u>(117,946)</u>	<u>8,345,124</u>
	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2024	8,068,678	394,392	(117,946)	8,345,124
Profit after income tax benefit for the year	-	-	68,275	68,275
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	68,275	68,275
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 37)	47,000	554	-	47,554
Exercise of options (note 22)	177,383	(177,383)	-	-
Share issue transaction costs (note 22)	(1,650)	-	-	(1,650)
Balance at 30 June 2025	<u>8,291,411</u>	<u>217,563</u>	<u>(49,671)</u>	<u>8,459,303</u>

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

**SOCO Corporation Ltd**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**



	<b>Note</b>	<b>2025</b> \$	<b>2024</b> \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		23,764,586	22,655,472
Payments to suppliers and employees (inclusive of GST)		(23,600,126)	(21,892,617)
		164,460	762,855
Interest received		10,394	65,677
Interest and other finance costs paid		(80,804)	(26,440)
Transaction costs relating to acquisition of subsidiaries		-	(440,700)
Income taxes paid		(416,434)	(830,991)
Net cash used in operating activities	35	(322,384)	(469,599)
<b>Cash flows from investing activities</b>			
Payment for purchase of subsidiary, net of cash acquired		-	(3,315,876)
Payments for property, plant and equipment	13	(199,614)	(56,751)
Payments for intangibles	15	(52,175)	-
Payments for security deposits		(90,288)	-
Proceeds from disposal of property, plant and equipment		3,910	3,453
Proceeds from release of security deposits		85,002	5,160
Net cash used in investing activities		(253,165)	(3,364,014)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	22	-	32,499
Share issue transaction costs		(1,650)	(14,733)
Proceeds from borrowings		500,000	500,000
Repayment of borrowings		(500,000)	(83,333)
Dividends paid		-	(636,312)
Repayment of lease liabilities		(219,731)	(142,933)
Net cash used in financing activities		(221,381)	(344,812)
Net decrease in cash and cash equivalents		(796,930)	(4,178,425)
Cash and cash equivalents at the beginning of the financial year		2,310,401	6,488,826
Cash and cash equivalents at the end of the financial year	9	<u>1,513,471</u>	<u>2,310,401</u>

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

## **Note 1. General information**

The consolidated financial statements cover SOCO Corporation Ltd as a Group consisting of SOCO Corporation Ltd ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is SOCO Corporation Ltd's functional and presentation currency.

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

Level 4  
120 Edward Street  
Brisbane QLD 4000

A description of the nature of the Group'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 29 August 2025. The Directors have the power to amend and reissue the financial statements.

## **Note 2. Material accounting policy information**

The accounting policies that are material to the Group 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 Group 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

#### *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*

The standard makes amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Group applied the amendments from 1 July 2024 and they were applied retrospectively. The amendments did not have a material impact on the Group.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board.

#### *Historical cost convention*

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

## **Note 2. Material accounting policy information (continued)**

### *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 Group'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 3.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group 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 Group 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.

### **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 is responsible for the allocation of resources to operating segments and assessing their performance.

### **Foreign currency translation**

#### *Foreign currency transactions*

Foreign currency transactions are translated into the Company's functional currency 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.

### **Revenue recognition**

The Group is in the business of providing IT consultancy, specialising in the delivery of cloud-based solutions, business applications and integration projects.

The Group typically generates revenue from the following broad categories:

- (a) Project based services;
- (b) Support services; and
- (c) Software licensing.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

## **Note 2. Material accounting policy information (continued)**

### **Services Revenue**

Revenue from the provision of services is recognised over time when services are rendered.

#### *Services Revenue – time and materials agreements*

Where the Group provides services charged based on time and materials, revenue is recognised based on actual time to complete the work and agreed hourly rates and cost of materials. The normal credit term is 14 to 30 days upon providing the service. If services have not been invoiced at reporting date but are billable by the Group, an amount is recorded as Accounts Receivable.

#### *Service Revenue – fixed price agreements*

Where the Group provides services under a fixed price agreement, revenue is recognised based on the proportion of work completed to date relative to the total contract. The customer pays the fixed consideration based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced. The Group has adopted the practical expedient available under AASB 15 paragraph B16, where the Group recognises revenue in the amount to which the Group has right to consideration from the customer for work completed to date.

#### *Software Licensing Revenue*

The Group sells software licenses on behalf of our suppliers. As our performance obligation is the fulfillment of the end user's order with product or services provided by the supplier, we recognise revenue for these sales on an agent basis, whereby the revenue is equal to the amount of consideration receivable from the end user less the cost of sale due to the supplier.

#### *Contract assets and contract liabilities*

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group recognises a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the Group transferring a good or service to the customer, the Group recognises a contract liability.

### **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 on an accruals basis when the Group is entitled to it.

### **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 Group 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.

### **Contract assets**

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Note 2. Material accounting policy information (continued)**

**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 diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	Unexpired period of the lease
Furniture, fixtures and fittings	20% diminishing value
Office equipment	40% diminishing value

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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**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 Group 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 Group 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.

**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.

**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 of 8 years.

**Software**

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.



## Note 2. Material accounting policy information (continued)

### *Brand name*

Brand name acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1 year.

### *Non-Compete*

Non-Compete acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 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 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An 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 asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group 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.

### **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 Group'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.

### **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.

**Note 2. Material accounting policy information (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

*Share-based payments*

Equity-settled and cash-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. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

## **Note 2. Material accounting policy information (continued)**

### **Contingent consideration**

Contingent consideration is initially recognised at the present value of the Group's probability weighted estimate of the cash outflow. It reflects management's estimate that the target will be achieved and is discounted using the Group incremental borrowing rate. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

### **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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **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 and no longer at the discretion of the Company.

### **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 Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group 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.

## **Note 2. Material accounting policy information (continued)**

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 SOCO Corporation Ltd, 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 additional ordinary shares that would have been outstanding assuming conversion of all 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.

### **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 Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

## **Note 2. Material accounting policy information (continued)**

### *AASB 18 Presentation and Disclosure in Financial Statements*

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

## **Note 3. 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.

### *Revenue recognition - principal versus agent*

Management exercises judgment in determining the categorisation of revenues as there is an increasing tendency for manufacturers to bundle various elements in the products and services that we resell – for example, some infrastructure offerings include software and/or bundled services, and support offerings can include software licenses. Principal versus agent assessments depend on the specific facts and circumstances in the agreements with suppliers and customers and can be complex, requiring a high degree of judgement.

### *Share-based payment transactions*

The Group 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 Binomial 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. Refer to note 37 for the fair value measurement of share-based payment transactions.

### *Estimation of useful lives of intangible assets*

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The 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 Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. 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 Group 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 Group 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.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Recovery of deferred tax assets*

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

*Fair value of contingent consideration*

Contingent consideration included in the statement of financial position (note 21), is measured at fair value and has been estimated using present value techniques by discounting the probability-weighted estimated cashflows. The future cashflows are contingent on certain hurdles being met in the future.

The Group 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 fair value of the liability will result in a corresponding gain or loss to profit or loss.

**Note 4. Operating segments**

*Identification of reportable operating segments*

The Group is organised into one operating segment as the Group operated mainly in Australia and in one industry being the supply of IT consulting services. This assessment is 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. Accordingly, the information provided reflects the one operating segment.

The CODM reviews EBIT (earnings before interest and tax) and 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.

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax for the year	68,275	(486,170)
Income tax benefit	(237,141)	(226,030)
Net interest	135,647	(39,237)
EBIT	(33,219)	(751,437)
Depreciation and amortisation expense	992,633	712,376
EBITDA	<u>959,414</u>	<u>(39,061)</u>

*Major customers*

There was no single customer (30 June 2024: one customer) with 10% or more of revenue (30 June 2024: \$3,348,789).

**Note 5. Revenue from contracts with customers**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Provision of IT consulting services	21,065,616	20,323,043
Sale of software licences	224,093	236,527
	<u>21,289,709</u>	<u>20,559,570</u>

**Note 5. Revenue from contracts with customers (continued)**

*Disaggregation of revenue*

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

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Geographical regions</i>		
Australia	<u>21,289,709</u>	<u>20,559,570</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	21,065,616	20,323,043
Licenses transferred at a point in time	<u>224,093</u>	<u>236,527</u>
	<u>21,289,709</u>	<u>20,559,570</u>

**Note 6. Other income**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Fair value movement of contingent consideration (note 21)	<u>798,250</u>	<u>716,662</u>

**Note 7. Expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	688	6,158
Furniture, fixtures and fittings	2,151	2,221
Office equipment	101,083	89,077
Buildings right-of-use assets	<u>253,068</u>	<u>171,448</u>
Total depreciation	<u>356,990</u>	<u>268,904</u>
<i>Amortisation</i>		
Customer relationships	521,712	347,808
Software	10,435	-
Brand name	20,000	40,000
Non-Compete	<u>83,496</u>	<u>55,664</u>
Total amortisation	<u>635,643</u>	<u>443,472</u>
Total depreciation and amortisation	<u>992,633</u>	<u>712,376</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on other liabilities	26,875	6,760
Interest and finance charges paid/payable on lease liabilities	53,929	19,680
Unwind of present value interest	<u>65,237</u>	<u>-</u>
Finance costs expensed	<u>146,041</u>	<u>26,440</u>

**Note 7. Expenses (continued)**

	2025 \$	2024 \$
<i>Leases</i>		
Short-term lease payments	<u>123,297</u>	<u>176,480</u>
<i>Defined contribution superannuation expense</i>		
Included in cost of providing services	1,276,653	1,309,892
Included in general and administrative expense	<u>263,160</u>	<u>255,379</u>
Total superannuation expense	<u>1,539,813</u>	<u>1,565,271</u>
<i>Share-based payments expense</i>		
Share-based payments expense (note 37)	<u>47,554</u>	<u>281,784</u>
<i>Employee benefits expense (including superannuation)</i>		
Included in cost of providing services	12,999,853	14,075,986
Included in general and administrative expense	<u>3,046,962</u>	<u>3,308,748</u>
Total employee benefits expense	<u>16,046,815</u>	<u>17,384,734</u>

**Note 8. Income tax**

	2025 \$	2024 \$
<i>Income tax benefit</i>		
Current tax	53,716	203,955
Deferred tax - origination and reversal of temporary differences	<u>(290,857)</u>	<u>(429,985)</u>
Aggregate income tax benefit	<u>(237,141)</u>	<u>(226,030)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	<u>(168,866)</u>	<u>(712,200)</u>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax at the statutory tax rate of 25%	(42,217)	(178,050)
Share-based payments	139	56,790
Non-deductible acquisition costs	-	93,379
Fair value adjustment of contingent consideration	(199,563)	(199,563)
Sundry items	<u>4,500</u>	<u>1,414</u>
Income tax benefit	<u>(237,141)</u>	<u>(226,030)</u>



**Note 8. Income tax (continued)**

*Net deferred tax*

	1 Jul 2024 \$	Through profit or loss \$	Through business combinations \$	30 Jun 2025 \$
<b>2025</b>				
<i>Deferred tax asset</i>				
Tax losses	189,408	182,649	-	372,057
Allowance for expected credit losses	735	539	-	1,274
Employee benefits	391,364	20,167	-	411,531
Leases	249,605	(54,933)	-	194,672
Initial public offer costs	156,371	(52,123)	-	104,248
Sundry items	23,743	(21,013)	15,691	18,421
Deferred tax asset	1,011,226	75,286	15,691	1,102,203
<i>Deferred tax liability</i>				
Property, plant and equipment	(46,811)	(21,441)	-	(68,252)
Right-of-use assets	(241,561)	63,267	-	(178,294)
Acquired intangibles	(987,631)	156,303	-	(831,328)
Prepayments	(18,915)	17,442	-	(1,473)
Deferred tax liability	(1,294,918)	215,571	-	(1,079,347)
Net deferred tax	(283,692)	290,857	15,691	22,856

	1 Jul 2023 \$	Through profit or loss \$	Through business combinations \$	30 Jun 2024 \$
<b>2024</b>				
<i>Deferred tax asset</i>				
Tax losses	-	189,408	-	189,408
Allowance for expected credit losses	776	(41)	-	735
Employee benefits	251,270	131,728	8,366	391,364
Leases	26,523	223,082	-	249,605
Initial public offer costs	208,495	(52,124)	-	156,371
Sundry items	11,125	12,618	-	23,743
Deferred tax asset	498,189	504,671	8,366	1,011,226
<i>Deferred tax liability</i>				
Property, plant and equipment	(58,683)	11,872	-	(46,811)
Right-of-use assets	(25,608)	(215,953)	-	(241,561)
Acquired intangibles	-	110,869	(1,098,500)	(987,631)
Prepayments	(734)	18,526	(36,707)	(18,915)
Deferred tax liability	(85,025)	(74,686)	(1,135,207)	(1,294,918)
Net deferred tax	413,164	429,985	(1,126,841)	(283,692)

**Note 8. Income tax (continued)**

	2025 \$	2024 \$
<i>Net deferred tax</i>		
The above gross deferred tax balances are offset to the extent allowable on a standalone taxable entity basis. On this basis, the disclosure in the statement of financial position is as follows:		
Non-current assets - Deferred tax	815,969	-
Non-current liabilities - Deferred tax	(793,113)	(283,692)
Net deferred tax	<u>22,856</u>	<u>(283,692)</u>
	2025 \$	2024 \$
<i>Income tax refund due</i>		
Income tax refund due	<u>141,974</u>	<u>-</u>
	2025 \$	2024 \$
<i>Provision for income tax</i>		
Provision for income tax	<u>-</u>	<u>74,873</u>

**Note 9. Cash and cash equivalents**

	2025 \$	2024 \$
<i>Current assets</i>		
Cash on hand	2,096	2,096
Cash at bank	1,511,375	2,308,305
	<u>1,513,471</u>	<u>2,310,401</u>

**Note 10. Trade and other receivables**

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	2,521,220	2,841,110
Less: Allowance for expected credit losses	(5,096)	(2,939)
	<u>2,516,124</u>	<u>2,838,171</u>

*Allowance for expected credit losses*

The Group has recognised a loss of \$2,157 (30 June 2024: \$2,939) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

**Note 10. Trade and other receivables (continued)**

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$	2024 \$	2025 \$	2024 \$
Current	-	-	1,800,064	2,199,805	-	-
0 to 3 months overdue	0.5%	-	719,747	614,092	3,687	-
Over 3 months overdue	100.0%	10.8%	1,409	27,213	1,409	2,939
			<u>2,521,220</u>	<u>2,841,110</u>	<u>5,096</u>	<u>2,939</u>

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

	2025 \$	2024 \$
Opening balance	2,939	3,105
Additional provisions recognised	2,157	2,939
Receivables written off during the year as uncollectable	-	(3,105)
Closing balance	<u>5,096</u>	<u>2,939</u>

**Note 11. Contract assets**

	2025 \$	2024 \$
<i>Current assets</i>		
Contract assets	<u>79,173</u>	<u>145,471</u>

*Reconciliation*

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

Opening balance	145,471	2,076
Additions	79,173	143,395
Transfer to trade receivables	(145,471)	-
Closing balance	<u>79,173</u>	<u>145,471</u>

Contract assets arise primarily from revenue contracts where the Group has transferred a promised good or service to the customer before the customer pays consideration or the before payment is due. The contract asset is normally recognised as a trade receivable within one to six months.

**Note 12. Other assets**

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	284,716	131,982
Security deposits	98,788	93,502
	<u>383,504</u>	<u>225,484</u>

**Note 13. Property, plant and equipment**

	2025 \$	2024 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	57,189	54,938
Less: Accumulated depreciation	(55,627)	(54,938)
	<u>1,562</u>	<u>-</u>
Furniture, fixtures and fittings - at cost	24,941	23,695
Less: Accumulated depreciation	(15,827)	(13,676)
	<u>9,114</u>	<u>10,019</u>
Office equipment - at cost	629,467	485,399
Less: Accumulated depreciation	(367,132)	(308,174)
	<u>262,335</u>	<u>177,225</u>
	<u>273,011</u>	<u>187,244</u>

*Reconciliations*

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

	Leasehold improvements \$	Furniture, fixtures and fittings \$	Office equipment \$	Total \$
Balance at 1 July 2023	6,158	10,760	223,971	240,889
Additions	-	1,480	55,271	56,751
Additions through business combinations	-	-	26,770	26,770
Disposals	-	-	(39,710)	(39,710)
Depreciation expense	(6,158)	(2,221)	(89,077)	(97,456)
Balance at 30 June 2024	-	10,019	177,225	187,244
Additions	2,250	1,246	196,118	199,614
Disposals	-	-	(9,925)	(9,925)
Depreciation expense	(688)	(2,151)	(101,083)	(103,922)
Balance at 30 June 2025	<u>1,562</u>	<u>9,114</u>	<u>262,335</u>	<u>273,011</u>

**Note 14. Right-of-use assets**

	2025 \$	2024 \$
<i>Non-current assets</i>		
Buildings - right-of-use	1,035,259	1,035,259
Less: Accumulated depreciation	<u>(322,084)</u>	<u>(69,016)</u>
	<u><u>713,175</u></u>	<u><u>966,243</u></u>

The Group leases land and buildings for its commercial office premises under agreements of up to 4 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

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

	<i>Buildings - right-of-use \$</i>
Balance at 1 July 2023	102,432
Additions	1,035,259
Depreciation expense	<u>(171,448)</u>
Balance at 30 June 2024	966,243
Depreciation expense	<u>(253,068)</u>
Balance at 30 June 2025	<u><u>713,175</u></u>

For other lease related disclosures refer to the following:

- note 7 for details of interest on lease liabilities and other lease payments;
- note 19 for lease liabilities at the end of the reporting period;
- note 25 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

**Note 15. Intangible assets**

	2025 \$	2024 \$
<i>Non-current assets</i>		
Goodwill - at cost	4,610,284	4,547,597
Trademarks - at cost	6,982	6,982
Customer relationships - at cost	4,000,000	4,000,000
Less: Accumulated amortisation	(869,520)	(347,808)
	<u>3,130,480</u>	<u>3,652,192</u>
Software - at cost	52,175	-
Less: Accumulated amortisation	(10,435)	-
	<u>41,740</u>	<u>-</u>
Brand name - at cost	60,000	60,000
Less: Accumulated amortisation	(60,000)	(40,000)
	<u>-</u>	<u>20,000</u>
Non-Compete - at cost	334,000	334,000
Less: Accumulated amortisation	(139,160)	(55,664)
	<u>194,840</u>	<u>278,336</u>
	<u><u>7,984,326</u></u>	<u><u>8,505,107</u></u>

*Reconciliations*

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

	Goodwill \$	Trademarks \$	Customer relation- ships \$	Software \$	Brand name \$	Non- Compete \$	Total \$
Balance at 1 July 2023	-	6,982	-	-	-	-	6,982
Additions through business combinations	4,547,597	-	4,000,000	-	60,000	334,000	8,941,597
Amortisation expense	-	-	(347,808)	-	(40,000)	(55,664)	(443,472)
Balance at 30 June 2024	4,547,597	6,982	3,652,192	-	20,000	278,336	8,505,107
Additions	-	-	-	52,175	-	-	52,175
Revaluation increments	62,687	-	-	-	-	-	62,687
Amortisation expense	-	-	(521,712)	(10,435)	(20,000)	(83,496)	(635,643)
Balance at 30 June 2025	<u><u>4,610,284</u></u>	<u><u>6,982</u></u>	<u><u>3,130,480</u></u>	<u><u>41,740</u></u>	<u><u>-</u></u>	<u><u>194,840</u></u>	<u><u>7,984,326</u></u>

*Impairment testing*

For the purpose of impairment testing, goodwill has been allocated to a single cash generating unit ("CGU") Axsym Technology Pty Ltd.

The recoverable amount of the CGU has been determined based on value-in-use calculations which use cash flow projections from the financial budgets for the FY2026 financial year as reviewed by the Board.

**Note 15. Intangible assets (continued)**

The cash flows beyond the budget period have been extrapolated over a further 4 years. The value-in-use calculations have been prepared using a compound revenue growth rate of 10.6% and terminal growth rate of 3%. The post-tax discount rate applied to cash flow projections was 18.00% (pre-tax discount rate 23.4%) which is derived from the Group's weighted average cost of capital, adjusted for varying risk profiles, where appropriate.

The key assumptions used in the value-in-use calculation are based on past experience and the forecast operating and financial performance for the CGU taking into account the current market and economic conditions, risks, uncertainties and opportunities for improvements.

Management has considered possible changes in the key assumptions used in the value-in-use calculations, and the following changes, with all other variables held constant, would lead to the recoverable amount equaling the carrying amount:

- Increase in the post-tax discount rate to 19.37%;
- Decrease in forecast terminal EBITDA by 13.35%
- Decline in terminal growth rate to 0.69%; and
- Decline in compound 4 year revenue growth rate to 7.4%

*Impact of possible changes in key assumptions*

If the following changes in key assumptions were made, then the Group would have had to recognise an impairment against the carrying amount of goodwill as follows:

<i>Change in key assumption</i>	<i>Impairment sensitivity</i> \$
Increase in post-tax discount rate of from 18.0% to 20.0%	293,000
Reduction in forecast terminal EBITDA as a percentage of revenue by 2%	112,000
Terminal growth rate reduces from 3.0% to 0.5%	52,000
Compound 4-year revenue growth reduces from 10.6% to 7.1%	49,000

The Group believes that the assumptions adopted in the value-in-use calculation reflect the Group's experience to date and accordingly, has concluded that no impairment is required as at 30 June 2025.

**Note 16. Trade and other payables**

	<b>2025</b> \$	<b>2024</b> \$
<i>Current liabilities</i>		
Trade payables	497,207	472,526
Goods and services tax payable	502,722	606,364
Employment related payables	902,017	1,156,296
Other payables	220,396	265,305
	<u>2,122,342</u>	<u>2,500,491</u>

Refer to note 25 for further information on financial instruments.

**Note 17. Contract liabilities**

	2025 \$	2024 \$
<i>Current liabilities</i>		
Contract liabilities	<u>553,713</u>	<u>596,152</u>
<i>Reconciliation</i>		
Reconciliation of the values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	596,152	333,599
Payments received in advance	553,713	596,152
Transfer to revenue - included in the opening balance	<u>(596,152)</u>	<u>(333,599)</u>
Closing balance	<u>553,713</u>	<u>596,152</u>

Contract liabilities arise primarily from revenue contracts when customers pay us amounts due under the contracts before the services identified in the contracts are delivered. The contract liabilities primarily relate to contracts where the revenue is recognised at a point in time, and revenue is normally recognised within one to six months.

**Note 18. Borrowings**

	2025 \$	2024 \$
<i>Current liabilities</i>		
Bank loans	<u>-</u>	<u>416,667</u>
<i>Non-current liabilities</i>		
Bank loans	<u>416,667</u>	<u>-</u>

Refer to note 25 for further information on financial instruments.

*Total secured liabilities*

The total secured liabilities are as follows:

	2025 \$	2024 \$
Business market loan	<u>416,667</u>	<u>416,667</u>

*Assets pledged as security*

The bank loans are secured by first mortgages over the Group's assets.

The available facility amortises at \$83,333 per month and expires on 31 December 2026.



**Note 18. Borrowings (continued)**

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Total facilities		
Bank loans	1,916,667	2,916,667
Used at the reporting date		
Bank loans	416,667	416,667
Unused at the reporting date		
Bank loans	1,500,000	2,500,000

**Note 19. Lease liabilities**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability	246,783	219,730
<i>Non-current liabilities</i>		
Lease liability	531,903	778,687

Refer to note 25 for undiscounted future lease commitments.

Refer to note 31 for further information on short-term lease commitments.

**Note 20. Employee benefits**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	805,778	829,724
Long service leave	78,309	-
	884,087	829,724
<i>Non-current liabilities</i>		
Long service leave	412,816	399,968

**Note 21. Contingent consideration**

	2025 \$	2024 \$
<i>Non-current liabilities</i>		
Contingent consideration	-	733,013
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	733,013	-
Additions through business combinations	-	1,449,675
Revaluation decrement of contingent consideration	(798,250)	(716,662)
Unwind of present value interest	65,237	-
Closing balance	-	733,013

Refer to note 26 for further information on contingent consideration.

**Note 22. Issued capital**

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	139,355,091	138,250,265	8,291,411	8,068,678
<i>Movements in ordinary share capital</i>				
<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2023	126,292,132		5,245,411
Issue of shares on exercise of options	25 August 2023	586,615	\$0.0700	41,885
Issue of shares on exercise of performance option	25 August 2023	383,635	\$0.1640	62,801
Issue of shares as part consideration of acquisition of Axsym Technology Pty Ltd	1 November 2023	10,714,753	\$0.2500	2,678,688
Issue of shares to employees	15 January 2024	273,130	\$0.2000	54,626
Share issue transaction costs, net of tax				(14,733)
Balance	30 June 2024	138,250,265		8,068,678
Issue of shares on exercise of options - staff tenure	5 July 2024	189,393	\$0.2882	54,583
Issue of shares on exercise of options - CEO	30 August 2024	500,000	\$0.2456	122,800
Issue of shares to employees	20 January 2025	415,433	\$0.1131	47,000
Share issue transaction costs, net of tax				(1,650)
Balance	30 June 2025	139,355,091		8,291,411

**Ordinary shares**

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. 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.

**Note 22. Issued capital (continued)**

*Capital risk management*

The Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group 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 Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

**Note 23. Reserves**

	2025 \$	2024 \$
Share-based payments reserve	<u>217,563</u>	<u>394,392</u>

*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 24. Dividends**

*Dividends*

Dividends paid during the financial year were as follows:

	2025 \$	2024 \$
Final dividend for the year ended 30 June 2023 of 0.5 cents per ordinary share, fully franked	<u>-</u>	<u>636,312</u>

*Franking credits*

	2025 \$	2024 \$
Franking credits available at the reporting date based on a tax rate of 25%	1,582,100	1,233,158
Franking credits that will arise from the (receipt)/payment of the amount of the provision for income tax at the reporting date based on a tax rate of 25%	<u>(141,975)</u>	<u>74,873</u>
Franking credits available for subsequent financial years based on a tax rate of 25%	<u>1,440,125</u>	<u>1,308,031</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

## Note 25. Financial instruments

### **Financial risk management objectives**

The Group'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 Group'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 Group. The Group 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 and ageing analysis for credit 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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

### **Market risk**

#### *Foreign currency risk*

The Group 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 Group is not exposed to any significant foreign currency risk.

#### *Price risk*

The Group is not exposed to any significant price risk.

#### *Interest rate risk*

The Group is not exposed to any significant interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	2025		2024	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank loans	6.96%	416,667	7.56%	416,667
Net exposure to cash flow interest rate risk		<u>416,667</u>		<u>416,667</u>

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

The Group bank loans outstanding, totalling \$416,667 (30 June 2024: \$416,667), are principal and interest payment loans. Monthly cash outlays of approximately \$2,583 (30 June 2024: \$3,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (30 June 2024: 100) basis points would have an adverse/favourable effect on profit before tax of \$4,166 (30 June 2024: \$4,166) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts. In addition, principal repayments of \$83,333 are due each month on the outstanding balance.

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group 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 Group does not hold any collateral.

**Note 25. Financial instruments (continued)**

The Group 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 Group 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 1 year.

The Group is not exposed to any significant credit risk.

**Liquidity risk**

Vigilant liquidity risk management requires the Group 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 Group manages liquidity risk by maintaining adequate cash reserves 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:

	2025 \$	2024 \$
Bank loans	<u>1,500,000</u>	<u>2,500,000</u>

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average remaining maturity of 1.5 years.

**Remaining contractual maturities**

The following tables detail the Group'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.

	<i>Weighted average interest rate %</i>	<i>1 year or less \$</i>	<i>Between 1 and 2 years \$</i>	<i>Between 2 and 5 years \$</i>	<i>Over 5 years \$</i>	<i>Remaining contractual maturities \$</i>
<b>2025</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	2,122,342	-	-	-	2,122,342
<i>Interest-bearing - variable</i>						
Bank loans	6.96%	-	462,393	-	-	462,393
<i>Interest-bearing - fixed rate</i>						
Lease liability	6.00%	286,790	300,449	264,253	-	851,492
Total non-derivatives		<u>2,409,132</u>	<u>762,842</u>	<u>264,253</u>	<u>-</u>	<u>3,436,227</u>

**Note 25. Financial instruments (continued)**

2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	2,500,491	-	-	-	2,500,491
<i>Interest-bearing - variable</i>						
Bank loans	7.56%	424,145	-	-	-	424,145
Contingent consideration	-	-	733,013	-	-	733,013
<i>Interest-bearing - fixed rate</i>						
Lease liability	6.00%	273,658	286,790	564,701	-	1,125,149
Total non-derivatives		3,198,294	1,019,803	564,701	-	4,782,798

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

**Note 26. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed 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

Level 3: Unobservable inputs for the asset or liability

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Contingent consideration	-	-	-	-
Total liabilities	-	-	-	-
<b>2024</b>				
<i>Liabilities</i>				
Contingent consideration	-	-	733,013	733,013
Total liabilities	-	-	733,013	733,013

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

*Valuation techniques for fair value measurements categorised within level 2 and level 3*

Due to the nature of contingent consideration, it has been categorised as Level 3.

**Note 26. Fair value measurement (continued)**

Contingent consideration represents the obligation to pay additional amounts to vendors in respect of businesses acquired by the Group, subject to certain conditions being met. It is measured at the present value of the estimated liability. The fair value of contingent consideration is calculated on the expected future cash outflows. Generally, the contingent consideration is a performance based payment. These are reviewed at the reporting date to provide the expected future cash outflows for each contract. Upon completion of the review the future cash outflows are then discounted to present value using the Group's incremental borrowing rate.

On 1 November 2023, the Company acquired 100% of the issued shares in Axsym Technology Pty Ltd ('Axsym'). The purchase price includes contingent consideration of up to \$3,193,000 (\$1,596,500 relating to FY25 performance and \$1,596,500 relating to FY26 performance) which is payable in cash, subject to Axsym achieving agreed EBITDA targets for FY25 and FY26. Under the amended agreement, the amounts may become payable at the end of the new measurement periods if EBITDA targets are met. The Axsym FY25 EBITDA target was not met, and the Directors' have assessed that it is unlikely that the FY26 EBITDA target will be met. As such an adjustment to the fair value of contingent consideration has been recognised in the consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2025.

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	<i>Contingent consideration \$</i>
Balance at 1 July 2023	-
Additions	1,449,675
Fair value of contingent consideration	<u>(716,662)</u>
Balance at 30 June 2024	733,013
Revaluation decrement of contingent consideration	(798,250)
Unwind of present value interest	<u>65,237</u>
Balance at 30 June 2025	<u><u>-</u></u>

**Note 27. Key management personnel disclosures**

*Compensation*

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

	<b>2025 \$</b>	<b>2024 \$</b>
Short-term employee benefits	835,527	983,382
Post-employment benefits	75,461	93,514
Long-term benefits	(17,802)	17,774
Termination benefits	-	83,333
Share-based payments	<u>15,524</u>	<u>164,992</u>
	<u><u>908,710</u></u>	<u><u>1,342,995</u></u>

**Note 28. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, and its network firms:

	2025 \$	2024 \$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	100,000	-
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	23,800	130,080
<i>Other services - BDO Services Pty Ltd</i>		
Taxation services	-	6,064
	23,800	136,144

**Note 29. Contingent assets**

The Group has no contingent assets as at 30 June 2025 and 30 June 2024.

**Note 30. Contingent liabilities**

The Group has no contingent liabilities as at 30 June 2025 and 30 June 2024.

**Note 31. Commitments**

The Group has no capital commitments as at 30 June 2025 and 30 June 2024.

	2025 \$	2024 \$
<i>Lease commitments - short-term</i>		
Committed at the reporting date but not recognised as liabilities, payable	41,200	46,095

**Note 32. Related party transactions**

*Parent entity*  
SOCO Corporation Ltd is the parent entity.

*Subsidiaries*  
Interests in subsidiaries are set out in note 34.

*Key management personnel*  
Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the Directors' report.

*Transactions with related parties*  
There were no transactions with related parties during the current and previous financial year.

*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.



**Note 32. Related party transactions (continued)**

*Loans to/from related parties*

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

**Note 33. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	Parent	
	2025 \$	2024 \$
(Loss)/profit after income tax	(373,849)	391,223
Total comprehensive income	(373,849)	391,223

*Statement of financial position*

	Parent	
	2025 \$	2024 \$
Total current assets	965,976	1,738,276
Total assets	9,538,818	9,504,458
Total current liabilities	1,104,972	618,216
Total liabilities	1,521,639	1,159,334
Equity		
Issued capital	8,291,411	8,068,678
Share-based payments reserve	217,563	394,392
Accumulated losses	(491,795)	(117,946)
Total equity	8,017,179	8,345,124

*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 2025 and 30 June 2024.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries 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.

**Note 34. 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 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Thesoco Pty Ltd	Australia	100.00%	100.00%
Wide Net Pty Ltd	Australia	100.00%	100.00%
Axsym Technology Pty Ltd	Australia	100.00%	100.00%

**Note 35. Cash flow information**

*Reconciliation of profit after income tax to net cash (used in)/from operating activities*

	2025 \$	2024 \$
Profit/(loss) after income tax benefit for the year	68,275	(486,170)
Adjustments for:		
Depreciation and amortisation	992,633	712,376
Net loss on disposal of property, plant and equipment	6,015	36,257
Share-based payments	47,554	281,784
Other	(62,687)	-
Fair value of contingent consideration	(798,250)	(716,662)
Unwind of present value interest	65,237	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	322,047	(236,896)
Decrease/(increase) in contract assets	66,298	(143,395)
Increase in income tax refund due	(141,974)	-
Increase in deferred tax assets	(90,977)	(504,671)
(Increase)/decrease in prepayments	(152,734)	125,334
(Decrease)/increase in trade and other payables	(378,149)	442,141
(Decrease)/increase in contract liabilities	(42,439)	262,553
Decrease in provision for income tax	(74,873)	(627,036)
(Decrease)/increase in deferred tax liabilities	(215,571)	74,686
Increase in employee benefits	67,211	310,100
Net cash used in operating activities	<u>(322,384)</u>	<u>(469,599)</u>

*Non-cash investing and financing activities*

	2025 \$	2024 \$
Additions to the right-of-use assets	-	1,035,259
Shares issued under employee share plan	47,000	126,813
Shares issued in relation to business combinations	-	2,678,688
	<u>47,000</u>	<u>3,840,760</u>

**Note 35. Cash flow information (continued)**

*Changes in liabilities arising from financing activities*

	<i>Bank loans \$</i>	<i>Lease liabilities \$</i>	<i>Total \$</i>
Balance at 1 July 2023	-	106,091	106,091
Net cash from/(used in) financing activities	416,667	(142,933)	273,734
Acquisition of leases	-	1,035,259	1,035,259
Balance at 30 June 2024	416,667	998,417	1,415,084
Net cash used in financing activities	-	(219,731)	(219,731)
Balance at 30 June 2025	<u>416,667</u>	<u>778,686</u>	<u>1,195,353</u>

**Note 36. Earnings per share**

	<b>2025 \$</b>	<b>2024 \$</b>
Profit/(loss) after income tax	<u>68,275</u>	<u>(486,170)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	139,039,774	134,355,844
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>2,831,812</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>141,871,586</u>	<u>134,355,844</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.05	(0.36)
Diluted earnings per share	0.05	(0.36)

**Note 37. Share-based payments**

The Group has the following option plans in existence:

***Omnibus Plan***

The Group has adopted a long-term incentive plan in connection with its admission to the ASX, the Omnibus Incentive Plan ('Omnibus Plan').

Key employees identified by the Board will be offered participation under the Omnibus Plan in the form of ordinary shares, options or rights. Each Director is eligible to participate in the Omnibus Plan.

The vesting of the shares, options or rights may be subject to the satisfaction of service-based conditions and performance hurdles which, when satisfied, will allow participating employees to receive shares or vested options or rights which are exercisable over shares.

Awards of fully paid ordinary shares, options, performance rights and share appreciation rights can be made under the Omnibus Plan.

Shares can be granted to the participants under a free grant (receiving an allocation of shares for no consideration) or salary contribution agreement.

**Note 37. Share-based payments (continued)**

An option confers a right to acquire a share during the exercise period, subject to the satisfaction of any vesting conditions, the payment of the exercise price for the option (including through a cashless exercise facility) set out in the offer, and otherwise in the manner required by the Board and specified by the offer.

A participant under the Omnibus Plan does not have a right to participate in dividends on shares or a further issue of shares until shares are issued, transferred or allocated under the terms of an offer, including on exercise or vesting of the security or right.

A performance right confers an entitlement to be issued, transferred or allocated one share after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions, and any other requirements contained in the offer.

A share appreciation right confers an entitlement to be issued, transferred or allocated the number of shares calculated under the terms of the Omnibus Plan after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions and any other requirement contained in the offer. The Board may decide, in its absolute discretion to substitute the issue, transfer or allocation of these shares for the payment of a cash amount.

The Omnibus Plan contains provisions for the Board to deal with securities issued under the Omnibus Plan in the event of a change of control trigger event, which includes the ability to:

- (a) buy-back or accelerate the vesting of options or performance rights, arrange replacement securities on similar economic terms in a bidder, allow the options or performance rights to continue on their terms, or proceed with any combination of the alternatives;
- (b) accelerate vesting (including on a pro rata basis) of share appreciation rights; and
- (c) provide under an offer document for a particular treatment of shares issued under the Omnibus Plan upon the occurrence of a change of control trigger event.

Each participant under the Omnibus Plan grants to the Company a power of attorney to perform any act required in respect of actions available to the Company on a change of control trigger event.

The Omnibus Plan includes provisions consistent with the Listing Rules to permit an adjustment to the number of shares that may be issued on exercise or vesting of a security issued under the Omnibus Plan in the event of a reorganisation of the Company's capital.

***FY25 Performance Rights***

The Company granted a total of 4,440,510 performance rights to a number of senior executives on 8 November 2024 under the terms of the Omnibus Plan, of which 1,415,513 performance rights lapsed on 24 June 2025 leaving a balance of 3,024,997 on issue at 30 June 2025.

The key terms of the FY25 Performance Rights are:

- (a) Entitlements: Each right entitles the holder to subscribe for one ordinary share upon exercise of the right.
- (b) Exercise price: \$0.00 per right.
- (c) Vesting conditions: The employee must remain an employee until at least 1 July 2027. The total number of rights that may vest will be determined based on achievement of the following performance milestone:  
Group basic earnings per share for the financial year ended 30 June 2027 is greater or equal to 2.1 cents per share based on the Group's consolidated audited FY27 financial statements. Failure to meet this milestone will mean no FY25 Performance Rights will vest.
- (d) Expiry date: The expiry date is the earlier of: (i) if the vesting conditions are not satisfied, the date on which the holder voluntarily vacates their employment; and (ii) in respect of any portion of the options for which the vesting conditions have been satisfied, being 15 business days after the FY27 consolidated audited financial statements are lodged on the ASX (for the purpose of valuations assumed to be 21 September 2027).
- (e) Exercise period: Subject to satisfaction of the vesting conditions, the exercise period commences from the date the vesting conditions are satisfied and ends on the relevant expiry date.

**Note 37. Share-based payments (continued)**

*Non-Executive Director Options*

The Company granted a total of 1,200,000 options to the independent non-executive Directors on 18 November 2022 under the terms of the Omnibus Plan ('NED Options').

The key terms of the NED Options are:

- (a) *Entitlements*: Each NED Option entitles the holder to subscribe for one ordinary share upon exercise of the NED Option.
- (b) *Exercise price*: \$0.20 per option.
- (c) *Vesting conditions*: The holder has not resigned as a director of the Company on the date that is 2 years after the issue date of the NED Options, or a change of control transaction occurs.
- (d) *Expiry date*: The expiry date for the NED Options is the earlier of: (i) if the vesting conditions are not satisfied, the date on which the holder voluntarily vacates their office as a director of the Company; and (ii) the date that is 5 years after the issue date.
- (e) *Exercise period*: Subject to satisfaction of the vesting conditions, the exercise period for the NED Options commences from the date the vesting conditions are satisfied and ends on the relevant expiry date.

*Lead Manager Options*

The Company agreed to issue 3,125,000 unquoted options to the Lead Manager and/or its nominee(s) as a component of the fees payable to the Lead Manager in connection with the IPO.

The Company and the Lead Manager entered into a Lead Manager Options Deed which governs the terms of the options. Each option issued to the Lead Manager or its nominee(s) is convertible into 1 ordinary share on exercise.

The key terms of the Lead Manager Options are:

- (a) *Entitlement*: Each Lead Manager Option entitles the holder to subscribe for one ordinary share upon exercise of the Lead Manager Option.
- (b) *Allotment Date*: The date that is 3 business days after the date on which the Company received unconditional approval from the ASX for the admission of the Company to the official list and quotation of the shares on the ASX.
- (c) *Exercise Price*: \$0.30 per option, representing a 50% premium to the IPO offer price.
- (d) *Exercise Period*: Commencing from the date of the Lead Manager Options Deed and ending on the date that is 48 months from the date on which the Company was admitted to the official list. The options will expire if not exercised during the exercise period.
- (e) *Adjustments*: If the Company makes a pro rata issue, there will be no adjustment to the exercise price of an option. In the event of a bonus issue, the number of ordinary shares issued on exercise of each option will be increased in accordance with Rule 6.22.3 of the Listing Rules. No change will be made to the exercise price of an option. If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights of the option holder in respect of any unexercised options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

**Summary**

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

**2025**

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year</i>
08/12/2021	06/02/2025	\$0.0800	500,636	-	-	(500,636)	-
18/11/2022	18/11/2027	\$0.2000	1,200,000	-	-	-	1,200,000
23/12/2022	20/12/2026	\$0.3000	3,125,000	-	-	-	3,125,000
03/10/2023	03/10/2028	\$0.0000	1,000,000	-	(500,000)	(500,000)	-
05/10/2023	22/07/2024	\$0.0000	208,332	-	(189,393)	(18,939)	-
15/01/2024	22/07/2025	\$0.0000	1,559,521	-	-	(1,559,521)	-
			<u>7,593,489</u>	<u>-</u>	<u>(689,393)</u>	<u>(2,579,096)</u>	<u>4,325,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.73 years (30 June 2024: 2.37 years).

**Note 37. Share-based payments (continued)**

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

2025

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year</i>
08/11/2024	21/09/2027	\$0.0000	-	4,440,510	-	(1,415,513)	3,024,997
			-	4,440,510	-	(1,415,513)	3,024,997

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.23 years.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Share price at grant date</i>	<i>Exercise price</i>	<i>Expected volatility</i>	<i>Dividend yield</i>	<i>Risk-free interest rate</i>	<i>Fair value at grant date</i>
08/11/2024	21/09/2027	\$0.0910	\$0.0000	60.00%	-	3.96%	\$0.0909

**Expenses arising from share-based payment transactions**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Director options	15,524	40,512
Employee gift shares	47,000	54,626
Employee options	(14,970)	186,646
Total share-based payments expense	<u>47,554</u>	<u>281,784</u>

**Note 38. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type <sup>(1)</sup>	Place formed / Country of incorporation	Ownership interest %	Tax residency <sup>(2)</sup>
Thesoco Pty Ltd	Body corporate	Australia <sup>(3)</sup>	100.00%	Australian
Wide Net Pty Ltd	Body corporate	Australia <sup>(3)</sup>	100.00%	Australian
Axsym Technology Pty Ltd	Body corporate	Australia <sup>(3)</sup>	100.00%	Australian

(1) None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

(2) All entities are Australian tax residents, there are no foreign tax jurisdictions of tax residency.

(3) SOCO Corporation Ltd is the head entity of the Group.

### **Basis of preparation**

This consolidated entity disclosure statement ('CEDS') has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are SOCO Corporation Ltd and all the entities it controls as at 30 June 2025 in accordance with AASB 10 'Consolidated Financial Statements'.

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 International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 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 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



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Thomas Stianos  
Chair

29 August 2025  
Brisbane



**INDEPENDENT AUDITOR'S REPORT**

To the Members of SOCO Corporation Ltd

**Report on the audit of the financial report****Opinion**

We have audited the financial report of SOCO Corporation Ltd ("the Company") and its controlled entities (together "the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, 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:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and *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 Company, 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 period. 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.

Key Audit Matter	How our audit addressed this matter
<b>Revenue Recognition</b> Refer to Note 2 and Note 5 to the financial statements	
<p>The Group's revenue is derived from the provision of IT consulting services, comprising project-based services, support services and software licensing.</p> <p>Revenue recognition was determined to be a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income, and the process of revenue recognition may be complex and involves significant management. These include:</p> <ul style="list-style-type: none"> <li>• determination of the appropriate timing of revenue recognition under AASB 15 <i>Revenue from Contracts with Customers</i>;</li> <li>• determination of the appropriate allocation of multiple-element arrangements, for example where a single transaction combines the delivery of project services, support services and/or software licensing; and</li> <li>• the estimation of discounts offered to customers.</li> </ul>	<p>Our audit procedures in relation to revenue included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 <i>Revenue from Contracts with Customers</i>;</li> <li>• Evaluating the appropriateness of the design of the internal controls related to revenue recognition, including transactional walk through testing;</li> <li>• Performing substantive analytical review procedures on the project-based IT consultancy services;</li> <li>• Performing tests of detail on a sample of IT support services recognised as revenue, by agreeing to supporting invoices, signed customer contracts and timesheet records, where applicable;</li> <li>• Performing specific targeted cut-off testing over transactions recorded either side of the year end, to ensure that revenues were recorded in the appropriate period;</li> <li>• Searching and reviewing large and / or unusual transactions relating to revenue related accounts during the financial year; and</li> <li>• Assessing the appropriateness of disclosures in the financial statements.</li> </ul>

## Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
<b><i>Impairment of goodwill and intangible assets</i></b> Refer to Note 2 and Note 15 to the financial statements	
<p>At 30 June 2025, the Group had a net book value of goodwill of \$4.6 million in respect of the acquisition of AxSym Technology Pty Ltd and \$3.4 million of other intangible assets.</p> <p>As required under AASB 136 <i>Impairment of Assets</i>, management have tested goodwill for impairment. As goodwill does not generate cashflows that are largely independent from other assets, its recoverable amount was determined by calculating the recoverable amount of the cash generating unit ("CGU") to which it belongs. This recoverable amount was then compared to the CGU's carrying amount, which would include any other intangible assets within that CGU. In this instance, the recoverable amount of the CGU was determined to be its value in use.</p> <p>We determined the impairment testing of goodwill and intangible assets to be a Key Audit Matter due to the materiality of the balances, and because management's assessment of the 'value in use' of the CGU involves significant judgements and assumptions.</p> <p>In particular, the calculation of the recoverable amount of the CGU involves judgements about the future underlying cashflows of the CGU, estimated growth rates for the CGU for the next 5 years as well as in perpetuity, and judgments of an appropriate discount rate to apply to the estimated cashflows.</p>	<p>In conjunction with our internal Corporate Finance valuation specialists, our audit procedures in relation to management's impairment assessment included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Understanding management's impairment testing process and its process for determining the recoverable amounts of the CGUs;</li> <li>• Assessing and challenging management's determination that the goodwill and intangible assets should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported;</li> <li>• Assessing the valuation methodology used to determine the recoverable amount of the CGU;</li> <li>• Evaluating the methods and assumptions used to estimate the present value of future cash inflows of the CGU, and challenging the reasonableness of key assumptions, including the cash flow projections, future growth rates, discount rates, and terminal value methodology;</li> <li>• Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets;</li> <li>• Reviewing management's sensitivity analysis over the key assumptions used in the models, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario; and</li> <li>• Reviewing the disclosures made in the financial statements to ensure they were in accordance with the accounting standards.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the 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, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. 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
- b. 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 ability of the Group 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included on pages 9 to 17 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of SOCO Corporation Ltd, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company 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 conducted in accordance with Australian Auditing Standards.

A stylized, handwritten-style signature of the letters "RSM" in blue ink.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read "Steve Stavrou".

**STEVE STAVROU**  
Partner

Brisbane, QLD  
Dated: 29 August 2025

The shareholder information set out below was applicable as at 25 July 2025.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		
	Number of holders	Number of shares	% of total shares issued
1 to 1,000	12	1,524	-
1,001 to 5,000	80	286,698	0.21
5,001 to 10,000	79	720,438	0.52
10,001 to 100,000	182	5,634,830	4.04
100,001 and over	65	132,711,601	95.23
	418	139,355,091	100.00
Holding less than a marketable parcel	169	651,114	0.47

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
NORFOLK ENCHANTS PTY LTD (TROJAN RETIREMENT FUND A/C)	27,415,567	19.67
SEANRICA PTY LTD	20,000,000	14.35
ROCK FAMILY PTY LTD (ROCK FAMILY A/C)	18,708,383	13.42
ULIN HOLDINGS PTY LTD (RAJU-SANDERSON FAMILY A/C)	17,847,483	12.81
DAWNEY & CO LTD	6,500,000	4.66
DMX CAPITAL PARTNERS LIMITED	3,125,000	2.24
ADCORT PTY LTD (GRANQUIST FAMILY A/C)	2,544,754	1.83
NAM KRISTYN PTY LTD (NAM NGO A/C)	2,544,754	1.83
HUY JANE PTY LTD (HUY NGO A/C)	2,544,754	1.83
SNOWBALL ASSET MANAGEMENT PTY LTD (SNOWBALL UNIT A/C)	2,012,250	1.44
JOMEL CORP PTY LTD (MILSOM FAMILY A/C)	1,851,776	1.33
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,710,000	1.23
VANWARD INVESTMENTS LIMITED	1,610,426	1.16
ULIN SUPER PTY LTD	1,525,000	1.09
MR GUY WELLESLEY KENDLE PICOT	1,375,000	0.99
JOMEL CORP PTY LTD (MILSOM FAMILY A/C)	1,272,377	0.91
EXTREMISTAN NATIVE PTY LTD (ANTIFRAGILE SF A/C)	1,146,169	0.82
VESKAY PTY LTD (VESKAY SUPER FUND A/C)	1,074,090	0.77
LORNETTE PTY LTD (LORNETTE SUPER FUND A/C)	1,045,000	0.75
MR SIMON CRAIG FORTH	1,005,000	0.72
	116,857,783	83.85

*Unquoted equity securities*

	Number on issue	Number of holders
Options over ordinary shares issued	4,325,000	7
Performance rights	3,024,997	6

### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
NORFOLK ENCHANTS PTY LTD (TROJAN RETIREMENT FUND A/C)	27,415,567	19.67
SEANRICA PTY LTD and related parties	21,224,632	15.23
ROCK FAMILY PTY LTD and related parties	20,063,844	14.40
ULIN HOLDINGS PTY LTD and related parties	19,372,483	13.90

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### Ordinary shares

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.

There are no other classes of equity securities.

### Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary shares	29 August 2025	191,817
Ordinary shares	31 October 2025	5,357,376
		<u>5,549,193</u>