

NOTICE OF ANNUAL GENERAL MEETING 2025

10:00am (AEST) on Thursday, 30 October 2025
Brisbane, Queensland



COSOL LIMITED

ACN 635 371 363

NOTICE OF 2025 ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

Notice is given that the Annual General Meeting of the Company will be held as follows:

TIME: 10:00am (AEST)

DATE: Thursday 30 October 2025

PLACE: Fraser Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000

This is an important document and should be read carefully and in its entirety.

Please consult your professional advisor if you have queries about the matters addressed in this document.

If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

INTRODUCTION

Notice is given that the Annual General Meeting of Shareholders of the Company will be held in the Fraser Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000 on Thursday, 30 October 2025 commencing at 10:00am (AEST).

Copies of the presentation to be made that the Annual General Meeting will be released to the ASX on the morning of the Annual General Meeting.

Attached to, and forming part of, this Notice is an Explanatory Statement which provides Shareholders with additional information on, and reasons for, the matters and resolutions to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. The information contained in this Notice is presented in accordance with the regulatory requirements of the Corporations Act and the Listing Rules, as applicable.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary in the Explanatory Statement.

AGENDA

Financial Report (no resolution required)

To receive the Financial Report of the Company for the year ended 30 June 2025 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

This item of business is for discussion only and is not a resolution.

Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding** resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report appearing in the Company's Annual Report for the year ended 30 June 2025."

Note: Under section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a. A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b. A Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- c. The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- d. The voter is the Chair and the appointment of the Chair as proxy:
 - Does not specify the way the proxy is to vote on this Resolution; and
 - Expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

Resolution 2 - Re-Election of Director – Geoff Lewis

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That, for the purposes of rule 6.3 of the Constitution, Listing Rule 14.4 and all other purposes, Geoffrey Lewis, a Director who retires by rotation in accordance with rule 6.3 of the Constitution and, being eligible and offering himself for re-election as a Director, is so re-elected."

Resolution 2 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 3 - Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Resolution 3 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a. If at the time this approval is sought the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b. An associate of that person or those persons.

AGENDA CONTINUED

However, this does not apply to a vote cast in favour of the Resolution by:

- a. A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - The holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. Accordingly, no existing Shareholders' votes are currently anticipated to be excluded under the voting exclusion in the Notice.

Resolution 4 - Approval of Issue of Securities to a Related Party – Scott McGowan

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,600,000 performance rights to Scott McGowan – Managing Director (and/or his nominee(s)), on the terms and conditions set out in the Explanatory Statement."

Resolution 4 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a. Scott McGowan;
- b. SNJ Business Solutions Pty Ltd; or
- c. An associate of Scott McGowan or of SNJ Business Solutions Pty Ltd,

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a. A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - The holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. Accordingly, no existing Shareholders' votes are currently anticipated to be excluded under the voting exclusion in the Notice.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- a. The proxy is either:
 - A member of Key Management Personnel; or
 - A Closely Related Party of such a member; and
 - b. The appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- c. The proxy is the Chair; and
 - d. The appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

AGENDA CONTINUED

Resolution 5 - Ratification of Prior Issue of Toustone Completion Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 4,531,038 Shares to the Toustone Vendors issued on 6 December 2024 on the terms and conditions set out in the Explanatory Statement."

Resolution 5 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a. Each Toustone Vendor (as listed and defined in Section 5.4(a)); or
 - b. Each associate of a Toustone Vendor,
- and any other person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person or counterparty.

However, this does not apply to a vote cast in favour of the Resolution by:

- a. A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the
- d. following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 - Financial Assistance by Toustone Pty Ltd, a Subsidiary of the Company

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of section 260B(2) of the Corporations Act and for all other purposes, Shareholders approve the giving of financial assistance by Toustone Pty Ltd, a wholly owned subsidiary of the Company, in connection with the acquisition of all of the shares in Toustone Pty Ltd by the Company and the terms and conditions of the Company's loan facility arrangements with Westpac Banking Group, in the manner described in the Explanatory Statement."

Resolution 6 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

NOTES

Determination of Shareholders' right to vote

The Company has determined that all persons or entities who are registered holders of Shares as at 5:00pm (AEST) on Tuesday, 28 October 2025 will be entitled to vote at the Meeting.

Attending the Meeting in person

Shareholders and proxyholders can attend and participate in the Meeting (including asking questions and casting votes during the Meeting) in person in the Fraser Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000.

If you intend to attend the AGM in person, please RSVP by emailing meetings@cosol.global - RSVPs are appreciated but not essential.

Voting prior to the Meeting

Shareholders who are unable to attend the Meeting in person or online are encouraged to return a completed Proxy Form or lodge a proxy vote online at website prior to the Meeting.

Even if you intend to attend the Meeting in person, we encourage you to submit a proxy so that your vote will be counted if for any reason you are unable to attend.

VOTING BY PROXY

A Shareholder entitled to vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. The effect of these sections is that if proxies vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chair, who must vote the proxies as directed.

If a Shareholder appoints the Chair as a proxy and does not direct the Chair how to vote, the Shareholder is authorising the Chair to cast the undirected vote on all proposed Resolutions.

It is the Chair's intention to vote all undirected proxies on, and in favour of, all Resolutions set out in this Notice. In exceptional cases, the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the ASX.

By appointing the Chair as a proxy (or where the Chair becomes proxy by default) the relevant Shareholder gives the Chair express authority to exercise the proxy on Resolutions 1 and 4 (except where the Shareholder has indicated a different voting intention on the Proxy Form) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of members of the Key Management Personnel, which includes the Chair.

If you appoint a member of Key Management Personnel (other than the Chair) or any Closely Related Party of a member of Key Management Personnel as your proxy, you must direct that person how to vote on Resolutions 1 and 4 if you want your Shares to be voted on those Resolutions.

Lodgement of proxy documents

The following addresses are specified for the purposes of receipt of completed Proxy Forms and any authorities under which Proxy Forms are signed (or certified copies of those authorities).

The proxy form that has been sent to Shareholders must be completed and received at the office of MUFG Corporate Markets, as detailed below, by 10:00 am (AEST) on Tuesday, 28 October 2025.

By Facsimile	(02) 9287 0309 (from Australia) or +61 2 9287 0309 (from overseas)	By Post	COSOL Limited C/- MUFG Corporate Markets Locked Bag A14 SYDNEY SOUTH NSW 1235
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Online

A proxy can be appointed electronically by visiting <https://au.investorcentre.mpms.mufig.com> and following the instructions below:

1. Select 'View Single Holding'. Enter COSOL Limited or the ASX code "COS" in the Issuer Name field, your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your proxy form or on your holding statement), and postcode, then complete the security process, tick the terms and conditions agreement and click 'Login'. You can also login via your portfolio.
2. Select the 'Voting' tab and then follow the prompts. You can also ask questions using the 'Ask a question' link below the voting link once you select the 'Voting' tab.

Your proxy form will be deemed to have been signed if it is lodged in accordance with the instructions given on the website.

Intermediary Online subscribers (custodians) should visit <https://au.investorcentre.mpms.mufig.com> to submit your voting instructions.

To be effective, a Proxy Form, and any power of attorney under which the Proxy Form is signed (or a certified copy of the power of attorney), must be received by the Company including through the above channels at least 48 hours before the commencement of the Meeting – that is by no later than 10:00am (AEST) on Tuesday, 28 October 2025.

The Proxy Form provides further details on appointing proxies and lodging the Proxy Forms.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body may exercise (either as a Shareholder or as a proxy) at the Meeting in accordance with section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at the Meeting or in voting on a resolution. The form of appointment, including any authority under which it is signed, must be received by MUFG Corporate Markets by no later than the commencement of the Meeting, unless it has previously been given to the Company

All Resolutions by poll

All voting on Resolutions will be conducted by way of a poll.

By order of the Board

Ben Secrett
Company Secretary
26 September 2025

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of COSOL Limited (Company) in connection with the business to be conducted at the Annual General Meeting of the Company to be held in the Fraser Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000 on Thursday, 30 October 2025 commencing at 10:00am (AEST).

If you intend to attend the AGM in person, please RSVP by emailing meetings@cosol.global - RSVPs are appreciated but not essential.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

A Proxy Form has been dispatched to Shareholders together with a letter advising Shareholders the Company is not dispatching physical copies of the Notice of Meeting and Explanatory Statement and where those documents are available for viewing and downloading.

Financial Report (no resolution required)

The Corporations Act requires the Financial Report, Directors' Report and the Auditor's Report to be received and considered at the Annual General Meeting. A printed hard copy of the annual Financial Report which includes the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2025, has been sent to all Shareholders who requested it. The Annual Report is also available on the Company's website at <https://cosol.global/investor-centre/results-reports/>.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, at the Meeting, Shareholders will be given an opportunity to ask questions about, or make comments on, the management of the Company.

A reasonable opportunity will also be given to Shareholders at the Meeting to ask the Company's auditor (or their representative) questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit. The Company will also allow a reasonable opportunity for the Company's auditor (or their representative) to answer written questions submitted to the auditor regarding the content of the auditor's report or the conduct of the audit of the financial report, provided such questions are received by the Company by no later than 5:00pm (AEST) on Thursday, 23 October 2025.

Questions (other than those addressed to the auditor as discussed above) may also be submitted by Shareholders in advance of the Meeting by sending an email to the Company Secretary at meetings@cosol.global by no later than 5:00pm (AEST) on Thursday, 23 October 2025. It may not be possible to respond to all questions asked at the Meeting or submitted in advance of the Meeting, but the Company will do its best to address matters raised.

Please note that individual responses to submitted questions will not be sent to Shareholders.

Resolution 1 - Adoption of Remuneration Report

1.1 GENERAL

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report.

The Chair of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 1.

EXPLANATORY STATEMENT CONTINUED

1.2 VOTING CONSEQUENCES

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' Report (as included in the Annual Financial Report for the most recent financial year) was approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors.

1.3 PREVIOUS VOTING RESULTS

At the Company's 2024 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were 5.40%, being less than 25%. Accordingly, a Spill Resolution is not required for this Annual General Meeting.

1.4 VOTING PROHIBITION STATEMENT

A member of KMP, details of whose remuneration are included in the Remuneration Report, and their closely related parties, are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice.

A voting prohibition statement has been included in the Notice for Resolution 1.

The Chair intends to exercise all available undirected proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 - Re-Election of Director – Geoff Lewis

2.1 GENERAL MEETING

In accordance with Listing Rule 14.5 and Article 6.3 of the Constitution, an election of Directors shall take place at each annual general meeting. Under Listing Rule 14.4 and Article 6.3(b) of the Constitution, no Director may retain office past the third annual general meeting following their appointment or three years, whichever is longer. Such a Director must retire from office and is eligible for re-election. Under rule 6.3(c) of the Constitution, if the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each AGM. These requirements for a Director to retire do not apply to a Managing Director.

Mr Geoffrey Lewis retires in accordance with Article 6.3 of the Constitution and Listing Rule 14.4 and, being eligible for re-election, offers himself for re-election as a Director at the Annual General Meeting.

Mr Lewis is a Non-Executive Director and Chairman of COSOL's Board of Directors. He was a founding director of COSOL and has over 30 years' experience in the global delivery of IT services and outsourcing. He established ASG Group Limited (formerly ASX listed, ASX:ASZ), an IT business solutions provider, in 1996 and was its Managing Director until it was acquired in late 2016 for \$350 million by Japanese multinational IT services and consulting business Nomura Research Institute, Ltd.

Mr Lewis was appointed as a Director on 10 September 2019, and was last re-elected as a Director at COSOL's 2022 annual general meeting.

EXPLANATORY STATEMENT CONTINUED

2.2 DIRECTORS RECOMMENDATION

The Directors (other than Mr Lewis, to whom Resolution 2 relates) unanimously recommend Shareholders vote in favour of Resolution 2.

The Chair intends to vote all available undirected proxies in favour of Resolution 2.

Resolution 3 - Approval of Additional 10% Placement Capacity

3.1 GENERAL

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its shareholders, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without further Shareholder approval.

3.2 REQUIREMENTS OF LISTING RULE 7.1A

3.2.1 Eligible Entities

As set out above, an eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As of 22 September 2025, based on a closing share price of \$0.60, the Company has a market capitalisation of approximately \$109.2 million and is not included in the S&P/ASX300 Index, and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

3.2.2 Shareholder approval

Shareholders must approve the 10% Placement Facility by special resolution at the Annual General Meeting, which requires the approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). A resolution under Listing Rule 7.1A cannot be put at any other Shareholder meeting.

3.2.3 Equity securities

Equity securities issued under the 10% Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on the ASX.

As at the date of this Notice, the Company has on issue the following classes of Equity Securities quoted on the ASX:

- 181,988,796

3.2.4 Formula for calculating 10% Placement Facility

If Resolution 3 is passed, the Company may, during the period of the approval, issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

EXPLANATORY STATEMENT CONTINUED

Where:

A = The number of fully paid ordinary securities on issue at the commencement of the relevant period.

- Plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exceptions 9,16 or 17;
- Plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
- The convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- The issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- Plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
- The agreement was entered into before the commencement of the relevant period; or
- The agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- Plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- Plus the number of fully paid ordinary securities that became fully paid in the relevant period; and
- Less the number of fully paid ordinary securities cancelled in the relevant period.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity;

D = 10%;

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

"Relevant period" means:

- If the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or
- If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement

Note that "relevant period" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

3.2.5 Interaction between Listing Rules 7.1 and 7.1A

The 10% Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 181,988,796 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed (including this Resolution 3), the Company will be permitted to issue (as at the date of this Notice):

- 27,298,319 Equity Securities under Listing Rule 7.1; and
- 18,198,879 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

EXPLANATORY STATEMENT CONTINUED

3.3 INFORMATION REQUIRED BY LISTING RULE 7.3A

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

3.3.1 Listing Rule 7.3A.1 – Period for which the approval will be valid

An approval from Shareholders under Listing Rule 7.1A will be valid and commences on the date of the annual general meeting at which the approval is obtained (being 30 October 2025) and expires on the first to occur of the following:

- a. The date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- b. The time and date of the Company's next annual general meeting; and
- c. The time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

3.3.2 Listing Rule 7.3A.2 – Minimum price at which the equity securities under Listing Rule 7.1A may be issued

The price of any Equity Securities issued under Listing Rule 7.1A.2 must be not less than the 75% of the volume weighted average market price for Equity Securities in the class being issued, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- a. The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient/s of the Equity Securities; or
- b. If the securities are not issued within 10 trading days of the date in 3.4.2a) above, the date on which the securities are issued.

3.3.3 Listing Rule 7.3A.3 – Purposes for which funds raised may be used

As noted above, any Equity Securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of Equity Securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve Resolution 3. However, if Shareholders approve Resolution 3 and the Company raised funds from the issue of Equity Securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers the funds may be used for the following purposes:

- a. To further develop the Company's business;
- b. To fund any corporate transactions; and/or
- c. For general corporate purposes, including working capital requirements.

3.3.4 Listing Rule 7.3A.4 – Risk of economic and voting dilution to existing ordinary Shareholders

If Resolution 3 is approved, and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below.

There is a risk that:

- a. The market price for the Company's existing Equity Securities in that class may be significantly lower on the date of issue of the new Equity Securities than on the date of the approval under Listing Rule 7.1A; and
- b. The new Equity Securities may be issued at a price that is at a discount (as described above) to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2, based on a market price of Shares of \$0.60 and the number of Shares on issue as at 22 September 2025.

EXPLANATORY STATEMENT CONTINUED

For the purpose of Listing Rule 7.3A.2, the table also shows:

- Two examples, where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares may increase as a result of issues of Shares that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- Two examples, where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

		Dilution		
		\$0.30 50% decrease in Issue Price	\$0.60 Issue Price	\$0.90 50% increase in Issue Price
181,988,796	10% Voting Dilution	18,198,879 Shares	18,198,879 Shares	18,198,879 Shares
(Current Variable A in Listing Rule 7.1A.2)	Funds Raised	\$5,459,663.70	\$10,919,327.40	\$16,378,991.10
272,983,194	10% Voting Dilution	27,298,319 Shares	27,298,319 Shares	27,298,319 Shares
Shares (50% increase in Variable A in Listing Rule 7.1A.2)	Funds Raised	\$8,189,495.70	\$16,378,991.40	\$24,568,487.10
363,977,592	10% Voting Dilution	36,397,759 Shares	36,397,759 Shares	36,397,759 Shares
Shares (100% increase in Variable A in Listing Rule 7.1A.2)	Funds Raised	\$10,919,327.70	\$21,838,655.40	\$32,757,983.10

Notes:

- Based on the total number of fully paid ordinary Shares on issue as at 22 September 2025.
- Based on the closing price of the Company's Shares on ASX as at 22 September 2025.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each
- example as 10%.
- The table assumes the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of Equity Securities under the 10% Placement Facility based on that Shareholder's holding at the date of this Explanatory Statement.
- The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1

3.3.5 Listing Rule 7.3A.5 – Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of Equity Securities under Listing Rule 7.1A will depend on a number of factors, including:

- The Company's intentions in relation to the possible issue of Equity Securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- The structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- The potential effect on the control of the Company;
- The Company's financial position and the likely future capital requirements;
- Prevailing market conditions; and
- Advice from the Company's corporate or financial advisors.

EXPLANATORY STATEMENT CONTINUED

As of the date of this Notice, no specific intention to issue Equity Securities in relation to any parties, investors or existing Shareholders has been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board reserves the right to determine at the time of any issue of Equity Securities under Listing Rule 7.1A, the allocation policy the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of Equity Securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of Equity Securities.

3.3.6 Listing Rule 7.3A.6 – Issue or agreement to issue Equity Securities under Listing Rule 7.1A in the 12 months prior to AGM

In the 12 months preceding the date of the Meeting (being the period commencing 30 October 2024), the Company has not issued Shares using the 10% Placement Facility available under Listing Rule 7.1A. The Company confirms that it currently does not propose to issue any Equity Securities under Listing Rule 7.1A between the date of this Notice and the date of the Meeting.

3.4 VOTING EXCLUSION STATEMENT

A voting exclusion statement is included in the Notice for the purposes of Resolution 3. At the date of this Notice, the Company has not approached any existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

3.5 DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

The Chair intends to vote all available undirected proxies in favour of Resolution 3.

Resolution 4 - Approval of Issue of Securities to a Related Party – Scott McGowan

4.1 GENERAL

Pursuant to Resolution 4, the Company proposes to issue to its Managing Director, Mr Scott McGowan, a total of 1,600,000 performance rights in the Company (2025 MD Performance Rights) as incentive securities. The 2025 MD Performance Rights will be issued in a single allotment on or before 30 November 2025, and all 2025 MD Performance Rights have an expiry date of 31 December 2028.

The 2025 MD Performance Rights are subject to performance hurdles, the same as those applicable to the 2024 Senior Leadership Team Long Term Incentive Performance Rights issued and disclosed to ASX on 5 May 2025. If a performance hurdle is achieved following testing, the relevant 2025 MD Performance Right becomes 'awarded' and will vest and be convertible into Shares from 30 June 2028.

The 2025 MD Performance Rights are subject to the following award and vesting conditions.

- a. 60% of the 2025 MD Performance Rights will be awarded subject to the Company achieving its budgeted return on invested capital (ROIC) for the relevant financial year. One third of these 2025 MD Performance Rights will be tested annually, and will be awarded on the basis of 50% if 80% of the ROIC hurdle is achieved, with straight-line awarding of 2.5% for each percent above 80% up to 100% (FY ROIC).

EXPLANATORY STATEMENT CONTINUED

- b. 40% of the 2025 MD Performance Rights will be awarded subject to the Company achieving a total shareholder return over FY26, 27 and 28 equal to or greater than 150% of the ASX Small Industrial Index total shareholder return over the same period (TSR v ASX Index).

If awarded, a 2025 MD Performance Right will vest on and be exercisable from 30 June 2028.

The issue, award, performance testing, vesting and conversion details are summarised below.

Tranche	No of Rights	No. of Rights per Performance Hurdle	Performance Hurdle	Testing Date	Vesting Date (if Performance Hurdle achieved)	Conversion Period and Expiry Date
1	320,000	320,000	FY26 ROIC	30 June 2026	30 June 2028	30 June 2028 to 31 December 2028
2	320,000	320,000	FY27 ROIC	30 June 2027	30 June 2028	30 June 2028 to 31 December 2028
3	960,000	320,000	FY28 ROIC	30 June 2028	30 June 2028	30 June 2028 to 31 December 2028
		640,000	TSR v ASX Index	30 June 2028	30 June 2028	30 June 2028 to 31 December 2028

The full terms and conditions of the 2025 MD Performance Rights are outlined in Annexure B to this Notice.

Resolution 4 seeks Shareholder approval to issue and allot the 2025 MD Performance Rights to Mr McGowan (and/or his nominee(s)), under and for the purposes of Listing Rule 10.11 (and for all other purposes). The purpose of the 2025 MD Performance Rights is to provide performance based incentive remuneration for Mr McGowan in his role as Managing Director.

The grant of the 2025 MD Performance Rights is subject to and conditional on the Company first obtaining Shareholder approval.

4.2 LISTING RULE 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue Equity Securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- a. A Related Party;
- b. A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- c. A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- d. An associate of a person referred to in (a) to (c) above; and
- e. A person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders.

EXPLANATORY STATEMENT CONTINUED

As a Director, Mr McGowan is a Related Party and accordingly is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue under Resolution 4 therefore falls within Listing Rule 10.11.1 (or, if Mr McGowan nominates a third party to receive the 2025 MD Performance Rights, that third party would likely be his associate falling within Listing Rule 10.11.4) and does not fall within any of the exceptions in Listing Rule 10.12. The proposed issue of the 2025 MD Performance Rights does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of Shareholders under Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11 then, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under and for the purposes of Listing Rule 7.1.

4.3 CHAPTER 2E OF THE CORPORATIONS ACT

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- a. the giving of the financial benefit falls within one of the exceptions set out in section 210 to 216 of the Corporations Act; or
- b. Shareholder approval is obtained prior to the giving of the financial benefit in the manner set out in section 217 to 227 of the Corporations Act.

The proposed issue of the 2025 MD Performance Rights (which is a type of equity security, for the purposes of Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit

The Directors (excluding Mr McGowan) have carefully considered the issue of the 2025 MD Performance Rights, the circumstances of the Company and the circumstances of Mr McGowan and formed the view that the giving of this financial benefit does not require shareholder approval under Chapter 2E of the Corporations Act as the 2025 MD Performance Rights form part of Mr McGowan's remuneration and the remuneration is reasonable.

Accordingly, the Directors (excluding Mr McGowan) believe that the issue of these 2025 MD Performance Rights fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of the 2025 MD Performance Rights requires Shareholder approval under and for the purposes of Listing Rule 10.11 only.

4.4 INFORMATION REQUIRED BY LISTING RULE 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the 2025 MD Performance Rights to Mr McGowan (and/or his nominee(s)) within one month after the Meeting (or such longer period of time as ASX may in its discretion allow).

If Resolution 4 is not passed, the Company will not be able to issue the 2025 MD Performance Rights to Mr McGowan (and/or his nominee(s)), and will consider alternative performance based remuneration arrangements to remunerate Mr McGowan.

4.5 INFORMATION REQUIRED BY LISTING RULE 10.13

The following information in relation to the issue of the 2025 MD Performance Rights is provided to Shareholders for the purposes of Listing Rule 10.13:

- a. SNJ Business Solutions Pty Ltd, as nominee for Mr Scott McGowan, is the proposed allottee of the 2025 MD Performance Rights.
- b. Mr McGowan, is a Director and falls into the category referred in Listing Rule 10.11.1. SNJ Business Solutions Pty Ltd falls into the category referred to in Listing Rule 10.11 as a "related party" because Mr McGowan is a director of SNJ Business Solutions Pty Ltd.
- c. The number of 2025 MD Performance Rights to be issued to SNJ Business Solutions Pty Ltd is 1,600,000.
- d. The full terms and conditions of the 2025 MD Performance Rights are set out in Annexure B.
- e. The 2025 MD Performance Rights will be issued within 1 month of Shareholder approval being obtained by the Company at the Meeting (or such longer period as ASX in its discretion may allow).
- f. The 2025 MD Performance Rights will be offered for nil cash consideration.

EXPLANATORY STATEMENT CONTINUED

- g. Funds will not be raised from the issue of the 2025 MD Performance Rights as the issue is proposed to be made as incentive remuneration for Mr McGowan (and that is the purpose of the issue).
- h. Mr McGowan's current total remuneration package for the year ending 30 June 2025 was \$833,064 – comprised of \$572,500 cash salary, \$151,879 cash bonus, \$30,000 superannuation, and \$78,685 share-based payments. Mr McGowan's remuneration package for FY26 will be similar to that for FY25 but a value cannot be provided because any cash bonus and the value of share-based payments are yet to be determined.
- i. The 2025 MD Performance Rights are not being issued pursuant to any agreement.
- j. A voting exclusion statement is included in the Notice.

4.6 DIRECTORS' RECOMMENDATION

The Directors (other than Mr McGowan, to whom Resolution 4 relates) unanimously recommend Shareholders vote in favour of Resolution 4.

The Chair intends to vote all available undirected proxies in favour of Resolution 4.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 4, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 5 - Ratification of Prior Issue of Toustone Completion Shares

5.1 GENERAL

On 4 December 2024, the Company entered into a binding Share Purchase Agreement (**SPA**) with Toustone Pty Ltd (**Toustone**) and the vendors of Toustone Pty Ltd (**Toustone Vendors**) in relation to the purchase by the Company of all the issued shares in Toustone, a data analytics group based in Albury, Australia, which leverages its expertise and proprietary IP in predictive analytics and decision intelligence to give order to clients' complex data lakes and provide insights into their operations and efficiency opportunities. The material terms of the SPA were disclosed by the Company in its ASX Announcement dated 4 December 2024.

Under the terms of the SPA, the Toustone Vendors are entitled to:

- a. Upfront consideration payable upon completion under the SPA (**Completion**), comprising:
 - \$8.0 million in cash; and
 - 4,531,038 Shares (Toustone Completion Shares), each having a deemed issued price of \$0.8828 per Toustone Completion Share, and which are subject to a voluntary escrow commencing on the date of Completion and expiring on 6 December 2025;
- b. earn-out consideration of up to \$6.5 million subject to the performance of the Toustone business in the 12 month periods ending 31 December 2025 and 31 December 2026 measured against normalised reviewed/audited minimum EBITDA margin hurdles. The earn-out consideration for the 12 month period ending 31 December 2025 is capped at \$3.75 million, and COSOL has the option of satisfying up to \$1.25 million of any instalment of earn-out consideration by the issue of Shares; and
- c. out performance consideration of up to \$3.925 million subject to the performance of the Toustone business in the 12 month period ending 31 December 2026 measured against normalised reviewed/audited minimum EBITDA margin hurdles. COSOL has the option of satisfying up to \$1.25 million of the outperformance consideration by the issue of Shares.

As at the date of this Notice, no Shares have been issued in satisfaction of the earn-out or outperformance consideration (**Deferred Consideration Shares**), and none or only part of the maximum number of 3.4 million Shares that may be issued to satisfied achieved earn-out or outperformance consideration may eventually be issued.

Resolution 5 seeks the ratification of the prior issue of the 4,531,038 Toustone Completion Shares.

EXPLANATORY STATEMENT CONTINUED

5.2 LISTING RULES 7.1 AND 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities a listed company can issue or agree to issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Toustone Completion Shares and the agreement to issue Deferred Consideration Shares do not fit within any of the exceptions in Listing Rule 7.2 and, as these have not yet been approved by Shareholders, it consumed part of the 15% limit in Listing Rule 7.1 and reduced the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Toustone Completion Shares and the date of agreement to issue the Deferred Consideration Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval of the prior issue of 4,531,038 Toustone Completion Shares under and for the purposes of Listing Rule 7.4.

5.3 TECHNICAL INFORMATION REQUIRED BY LISTING RULE 14.1A

If Resolution 5 is passed, the issue of the 4,531,038 Toustone Completion Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over 12-month period following the date of issue of the Toustone Completion Shares.

If Resolution 5 is not passed, the issue of the 4,531,038 Toustone Completion Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Toustone Completion Shares.

5.4 TECHNICAL INFORMATION REQUIRED BY LISTING RULE 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- a. The Toustone Completion Shares were issued to the Toustone Vendors, none of whom are a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The Toustone Vendors comprised individuals or entities associated with the founders of Toustone (91.1% of Toustone Completion Shares) – Craig Lefoe, Adam Sharp, Chris Horn and Mal Chambeyron – members of senior management of Toustone and some Toustone employees;
- b. A total of 4,531,038 Toustone Completion Shares were issued to the Toustone Vendors;
- c. the Toustone Completion Shares are fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares;
- d. the Toustone Completion Shares were issued on 6 December 2024;
- e. the deemed issue price per Toustone Completion Share was \$0.8828 each;
- f. no funds were raised from the issue of the Toustone Completion Shares as they were issued as partial consideration for completion of the acquisition of Toustone by the Company;
- g. a summary of the terms of the SPA is set out in the Company's ASX Announcement dated 4 December 2024 and is set out in Annexure A to this Notice; and
- h. a voting exclusion statement is included in this Notice.

5.4 DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

The Chair intends to vote all available undirected proxies in favour of Resolution 5.

EXPLANATORY STATEMENT CONTINUED

Resolution 6 - Financial assistance by Toustone Pty Ltd, a Subsidiary of the Company

6.1 GENERAL

This Section of the Explanatory Statement is for the purposes of section 260B(4) of the Corporations Act and contains all of the information known to the Company that is material to a Shareholder in determining whether to approve Resolution 6.

The Company has extended its existing loan facility with Westpac Ltd (Lender) for the provision of loan funds to the Company for acquisition and working capital purposes (Facility). The Facility was drawn down in order to pay the cash consideration to the Toustone Vendors in relation to the acquisition by the Company of all of the issued share capital in Toustone (Acquisition).

A summary of the Acquisition is set out at Section 5.1 above and in Annexure A.

Following the Acquisition, the Company was required by the Lender to arrange for Toustone to give a guarantee to the Lender of the obligations of the Company under the Facility and to grant a general security interest over the assets and undertakings of Toustone to the Lender as security for the guarantee obligations (Security). As a part of these requirements the Lender requires the Company to seek Shareholder approval for Toustone providing that financial assistance (Financial Assistance).

Pursuant to section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- a. Giving the assistance does not materially prejudice:
 - The interests of the Company or its Shareholders; or
 - The Company's ability to pay its creditors; or
- b. The assistance is approved by Shareholders under section 260B of the Act (as to which see below); or
- c. The assistance is exempted under section 260C of the Act.

Financial assistance is defined very broadly and includes an entity giving a guarantee and granting a security interest over its assets and undertaking in connection with the acquisition of shares in that company, or an entity which becomes a wholly owned subsidiary, or as security for the obligations of the buyer.

Under section 260A(2) of the Act, the Financial Assistance may be given before or after the acquisition of the shares in the applicable entity.

Pursuant to section 260B of the Act, Toustone must have the Financial Assistance approved by:

- a. A special resolution passed at a general meeting of Toustone, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
- b. A resolution agreed to, at a general meeting, by all of its Shareholders,

and the Financial Assistance must also be approved by a special resolution of Company Shareholders (because it is the listed holding company of Toustone).

6.2 PARTICULARS OF THE PROPOSED FINANCIAL ASSISTANCE

On 1 December 2024, the Company entered into an amending deed (**Amending Deed**) which amended the terms of its existing facility agreement with the Lender (**Facility Agreement**), under the terms of the Amending Deed the Lender agreed to extend the existing Facility to facilitate the payment of consideration under the Acquisition and provide additional working capital to the Company. As is the case with similar funding arrangements, the Lender requires the Company's obligations under the Facility Agreement and related finance documents to be guaranteed and secured by certain of the Company's wholly owned subsidiaries, which includes Toustone following the Acquisition.

The Company is the listed holding company of Toustone and therefore is required to obtain approval from its Shareholders for the Financial Assistance under section 260B(2) of the Corporations Act in order for the Financial Assistance to be given. If this Resolution 6 is passed, the Company (as the sole shareholder Toustone) will pass the required resolution of approval of the shareholders of Toustone for the purposes of section 260B(1) of the Corporations Act.

EXPLANATORY STATEMENT CONTINUED

6.3 REASONS FOR THE FINANCIAL ASSISTANCE

The Financial Assistance is proposed because:

- a. It is a requirement of the Lender under the Facility Agreement as amended by the Amending Deed (**Amended Facility Agreement**) that, following the Acquisition, the Company procure that Toustone accede as a guarantor under the Amended Facility Agreement and provide the Security and guarantee. By acceding to the Amended Facility Agreement and providing the Security and guarantee, Toustone may be assisting the Company to comply with its obligations under the Amended Facility Agreement, which in turn is providing Financial Assistance to acquire the shares in Toustone (as applicable);
- b. If Toustone does not give the Financial Assistance, the Company will be in breach of the Amended Facility Agreement, which would give the Lender the right to demand all or any part of the Facility loaned to the Company under the Amended Facility Agreement (plus accrued interest) to be immediately due and payable. This would have an adverse impact on the Company's existing cash reserves and may require refinancing or renegotiating the facilities under the Amended Facility Agreement, which may result in more restrictive and expensive terms, which would likely impact the Company's operations; and
- c. It is considered the giving of Financial Assistance is beneficial to all Shareholders as it allows for the Acquisition to proceed in the manner it occurred.

6.4 EFFECT OF THE PROPOSED FINANCIAL ASSISTANCE

The effect of the Financial Assistance will be:

- a. Toustone will be a guarantor of the Company's obligations under the Amended Facility Agreement and may be required to perform obligations of the Company in the event of default by the Company or another guarantor;
- b. Toustone will provide the Security and the Lender will be entitled to enforce the Security if the Company or another guarantor fails to perform its obligations under the Amended Facility Agreement; and
- c. Toustone will be required to perform and comply with the obligations under the Amended Facility Agreement and related finance documents to the extent those documents impose obligations on Toustone.

The directors of Toustone, together with the Directors, do not believe the giving of the Financial Assistance will have the effect of materially prejudicing the interests of the creditors or shareholders of Toustone or the Company.

6.5 ADVANTAGES OF THE PROPOSED FINANCIAL ASSISTANCE

If Toustone provides the Financial Assistance by granting the Security, this will allow the Company to satisfy its obligations to the Lender under the Amended Facility Agreement.

6.6 DISADVANTAGES OF THE PROPOSED FINANCIAL ASSISTANCE

- a. The Company is already liable for the amounts due under the Amended Facility Agreement. Accordingly, the Directors do not believe there are any disadvantages to the Company in the Financial Assistance being provided.
- b. If the Financial Assistance is given, then Toustone may be liable to repay all moneys payable under the Amended Facility Agreement. This may have an adverse impact on the financial position of Toustone if it is liable for the debts and obligations of the Company under the Amended Facility Agreement. If the Company defaults, the Lender may make a demand under the Security requiring Toustone pay the amounts due under the Amended Facility Agreement.
- c. The operations of Toustone, including their ability to borrow money in the future from other financiers may be restricted by the Security.

Notwithstanding the above, the Directors have no reason to believe there are any prevailing circumstances the Lender making a claim against the Security is probable or likely.

Accordingly, the potential disadvantages to Toustone for providing the Financial Assistance are outweighed by the advantages to the Company (and Toustone as a subsidiary) in accessing the Facility.

6.7 OTHER INFORMATION MATERIAL TO THE DECISION

- a. The Directors consider the consequences of not providing the Financial Assistance (as outlined in Section 6.3) will have a far greater adverse impact on Shareholders than any potential consequence of providing the Financial Assistance (as outlined in Section 6.6).

EXPLANATORY STATEMENT CONTINUED

- b. The Directors consider this Section 6 of the Explanatory Statement contains all of the information known to the Company which would be material to Shareholders in deciding whether to approve the resolutions the subject of this Notice, other than the information which it would be unreasonable to require the Company to include because it has been previously disclosed to Shareholders.
- c. Resolution 6 requires a Special Resolution, which means that to be passed the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

6.8 DIRECTORS RECOMMENDATION

The Directors unanimously recommend Shareholders vote in favour of Resolutions 6.

The Chair intends to vote all available undirected proxies in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 3.1.

2025 MD Performance Rights has the meaning given in Section 4.1.

Acquisition has the meaning given in Section 6.1.

AEST means Eastern Standard Time as observed in Brisbane, Queensland.

Amended Facility Agreement has the meaning given in Section 6.3.

Amending Deed has the meaning given in Section 6.2.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice of Meeting.

Annual Report means the annual report of the Company for the financial year ended 30 June 2025.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report contained in the Annual Report.

Board means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

Chair or **Chairman** means the chair of the Annual General Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- a. A spouse or child of the member;
- b. A child of the member's spouse;
- c. A dependent of the member or the member's spouse;
- d. Anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- e. A company the member controls; or
- f. A person prescribed by the Corporations Regulations.

Company or **COSOL** means COSOL Limited ACN 635 371 363.

Completion has the meaning given in Section 5.1.

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Deferred Consideration Shares has the meaning given in Section 5.1.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as given in the Listing Rules.

Explanatory Statement means the explanatory statement which forms part of the Notice of Meeting.

Facility has the meaning given in Section 6.1.

Facility Agreement has the meaning given in Section 6.2.

Financial Assistance has the meaning given in Section 6.1.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lender has the meaning given in Section 6.1.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of annual general meeting and includes the business of the annual general meeting, the Explanatory Statement, the Annexures and the Proxy Form.

Proxy Form means the enclosed appointment of proxy form.

Related Party is defined in section 228 of the Corporations Act.

Remuneration Report means the remuneration report in the Directors' Report section of the Annual Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

ROIC and FY ROIC have the meaning given in Section 4.1.

Section means a section contained in this Explanatory Statement.

Security has the meaning given in Section 6.1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of one or more Shares.

SPA has the meaning given in Section 5.1.

Spill Resolution and **Spill Meeting** each have the meaning given in Section 1.2.

Toustone has the meaning given in Section 5.1.

Toustone Completion Shares has the meaning given in Section 5.1.

Toustone Vendors has the meaning given in Section 5.1.

TSR v ASX Index has the meaning given in Section 4.1.

ANNEXURE A - SUMMARY OF TERMS OF THE SPA

A summary of the material terms of the SPA is set out below

- 100% of the issued capital of Toustone Pty Ltd was acquired.
- The vendors comprise individuals or entities associated with the founders Craig Lefoe, Adam Sharp, Chris Horn and Mal Chambeyron, together with members of senior management and employees of Toustone.
- Total consideration was valued at approximately \$22.4 million, comprising:
- Upfront consideration payable upon completion under the SPA (Completion), comprising \$8.0 million in cash, and 4,531,038 Shares (Toustone Completion Shares), each having a deemed issued price of \$0.8828 per Toustone Completion Share (being that quantity of Shares with a value of \$4.0 million based on a deemed issue price of \$0.8828 per Share being the 21 day VWAP prior to the SPA execution date of 3 December 2024), and which are subject to a voluntary escrow commencing on the date of Completion and expiring on 6 December 2025; and
- Earn-out consideration of up to \$6.5 million subject to the performance of the Toustone business in the 12 month periods ending 31 December 2025 and 31 December 2026 measured against normalised reviewed/audited minimum EBITDA margin hurdles. The earn-out consideration for the 12 month period ending 31 December 2025 is capped at \$3.75 million, and COSOL has the option of satisfying up to \$1.25 million of any instalment of earn-out consideration by the issue of Shares; and
- Outperformance consideration of up to \$3.925 million subject to the performance of the Toustone business in the 12 month period ending 31 December 2026 measured against normalised reviewed/audited minimum EBITDA margin hurdles. COSOL has the option of satisfying up to \$1.25 million of the outperformance consideration by the issue of Shares.
- The Toustone Completion Shares issued as upfront consideration are subject to voluntary escrow for a period of 12 months from the acquisition's completion date.
- Key vendors of Toustone are subject to customary restraints of trade post completion.
- The acquisition consideration was funded through the COSOL Group's existing cash reserves and expanded Westpac financing facilities, and COSOL's existing placement capacity for equity securities under Listing Rule 7.1. The issue of Shares under the Acquisition is capped at 7,931,038 Shares without first obtaining shareholder approval.
- There were no changes to COSOL's Board of Directors, and suitable COSOL representatives were appointed as Directors of Toustone on completion of the acquisition.
- Completion under the SPA was subject to conditions precedent ordinarily found in similar acquisition transactions, along with conditions regarding financing approval, client contract change of control confirmations, and key employees entering into new employment agreements on no less favourable terms; the majority of these conditions can be waived by COSOL in its discretion.
- The SPA includes customary terms and conditions for transaction of a like nature, including regarding there being material adverse condition affecting the business, conduct of the business prior to completion, representations, warranties and indemnities.

Completion occurred on 6 December 2024.

ANNEXURE B – TERMS AND CONDITIONS OF 2025 MD PERFORMANCE RIGHTS

- Each 2025 MD Performance Right entitles the holder to receive one Share upon vesting and subsequent conversion of a 2025 MD Performance Right.
- The 2025 MD Performance Right will be subject to award and vesting conditions in tranches as follows:

Tranche	No of Rights	No. of Rights per Performance Hurdle	Performance Hurdle	Testing Date	Vesting Date (if Performance Hurdle achieved)	Conversion Period and Expiry Date
1	320,000	320,000	FY26 ROIC	30 June 2026	30 June 2028	30 June 2028 to 31 December 2028
2	320,000	320,000	FY27 ROIC	30 June 2027	30 June 2028	30 June 2028 to 31 December 2028
3	960,000	320,000	FY28 ROIC	30 June 2028	30 June 2028	30 June 2028 to 31 December 2028
		640,000	TSR v ASX Index	30 June 2028	30 June 2028	30 June 2028 to 31 December 2028

- Subject to satisfaction of the award and vesting criteria, the 2025 MD Performance Right are convertible at any time during the period commencing on the applicable Vesting Date and ending on the applicable Expiry Date for that 2025 MD Performance Right. If a 2025 MD Performance Right is not exercised before its relevant Expiry Date it will automatically lapse (and thereafter be incapable of conversion).
- Subject to vesting, the 2025 MD Performance Rights may be converted at the election of the holder by notice in writing to the Company.
- All Shares issued upon conversion of a 2025 MD Performance Right will, from the date they are issued, rank pari passu in all respects with the then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of a 2025 MD Performance Right.
- Subject to paragraph 10, the holder will not be entitled to participate in any new issue of securities in the Company, such as bonus issues and entitlement issues.
- The 2025 MD Performance Rights do not confer on the holder any entitlement to receive dividends or to vote until Shares are allotted pursuant to the conversion of a 2025 MD Performance Right.
- A 2025 MD Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon reduction of capital, or otherwise, nor to participate in surplus profits or assets of the Company upon winding up.
- Subject to paragraph 10, if the Company makes a bonus share issue, a rights issue or any other similar issues of rights or entitlement, there will be no adjustment to the number of Shares per 2025 MD Performance Right or any other terms of those 2025 MD Performance Rights.
- On a reorganisation of the Company's capital, the rights of the holder (including the number of 2025 MD Performance Rights) will be changed to the extent necessary to comply with the Listing Rules.
- Subject to the Corporations Act, the Listing Rules and the Constitution, the 2025 MD Performance Rights are transferrable at the discretion of the Board.
- The 2025 MD Performance Rights will not be listed for quotation on the ASX.
- The Board reserves the right to amend any term of the 2025 MD Performance Rights to ensure compliance with the Listing Rules.

