

ASX RELEASE

19 February 2026

**RESULTS ANNOUNCEMENT FOR THE
HALF YEAR ENDED 31 DECEMBER 2025**

In accordance with ASX Listing Rule 4.2A, please find attached the following documents for the half year ended 31 December 2025 for Codan Limited (**ASX:CDA**):

1. Appendix 4D;
2. Directors' Report; and
3. Financial Report.

These documents should be read in conjunction with the Codan Limited 2025 Annual Report (accessible at <https://codan.com.au/investor-centre/overview/>).

On behalf of the Board



Daniel Widera
Company Secretary

This announcement was authorised by the Board of Directors.

Codan is a technology company that develops robust technology solutions to solve customers' communications, safety, security and productivity problems in some of the harshest environments around the world.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

Alf Ianniello
Managing Director & CEO
Codan Limited
(08) 8305 0392

Michael Barton
Company Secretary & CFO
Codan Limited
(08) 8305 0392

**Codan Limited
and its controlled entities**

**Appendix 4D
Half Year Report under ASX Listing Rule 4.2A.3**

Period ended on 31 December 2025

ABN 77 007 590 605	Previous corresponding period 31 December 2024
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Results for announcement to the market				\$A'000
Revenue from ordinary activities	Increased	29%	to	393,511
Profit after tax	Increased	55%	to	71,170
Profit from ordinary activities after tax attributable to members	Increased	55%	to	71,170
Net profit for the period attributable to members	Increased	55%	to	71,170
Dividends	Amount per security		Franked amount per security at 30% tax	
Current Period: Interim dividend proposed	19.5 cents		19.5 cents	
Year end 30 June 2025: Final dividend paid	16.0 cents		16.0 cents	
Record date for determining entitlements to dividends:	26 February 2026			
<i>Brief explanation of any figures disclosed above which is necessary to enable the figures to be understood:</i>				
The 31 December 2025 Financial Report and the Market Announcement dated 19 February 2026 form part of, and should be read in conjunction with, this Preliminary Final Report (Appendix 4D).				
This report is based on half-year financial statements that have been externally reviewed. The auditor's review report is included in the Interim Financial Report for the half year ended 31 December 2025.				

**Codan Limited
and its Controlled Entities
ABN 77 007 590 605**

**Interim Financial Report
for the half year ended
31 December 2025**

Directors' report

Codan Limited and its Controlled Entities

The directors present their report together with the consolidated interim financial report for the half year ended 31 December 2025 and the auditor's review report thereon.

Directors

The directors of the company at any time during or since the end of the half year are:

Name	Period of Directorship
Graeme Barclay (Chairman)	Director since February 2015
Alf Ianniello (Managing Director and CEO)	Director since January 2022
Kathy Gramp	Director since November 2015
Sarah Adam-Gedge	Director since February 2023
Heith Mackay-Cruise	Director since March 2023

Principal activities

The principal activities of the consolidated entity during the course of the half year were the design, development, manufacture and sale of communication solutions and metal detection equipment.

Review and results of operations

Summary:

- Strong Group financial performance, with continued momentum across both segments:
 - Revenue of \$393.5 million, up 29% vs the prior corresponding period ("pcp");
 - Earnings before interest and tax of \$99.8 million, up 52% vs the pcp; and
 - Net profit after tax of \$71.2 million, up 55% vs the pcp.
- Communications:
 - Revenue of \$221.8 million, up 19% vs the pcp;
 - Segment profit of \$58.3 million, up 17% vs the pcp; and
 - Orderbook of \$294 million, up 19% vs the pcp.
- Metal Detection:
 - Revenue of \$168.0 million, up 46% vs the pcp; and
 - Segment profit of \$76.2 million, up 86% vs the pcp.
- Earnings per share of 39.2 cents, up 54% vs the pcp.
- Interim dividend declared of 19.5 cents, fully franked, up 56% vs the pcp.

Codan has delivered another strong financial result for the first half of FY26, with Group revenues growing 29% to \$394 million, and both EBIT and NPAT up by more than 50% versus the first half of FY25. The Group's performance reflects disciplined execution of our strategic plan, favourable market conditions in key regions, and the benefits of our diversified technology portfolio.

Communications segment continues to deliver high-quality growth at the top end of our FY26 target range, while Metal Detection delivered exceptional performance, driven by gold detector demand in Africa and continued momentum across rest-of-world markets. These results reinforce Codan's strategy of building a stronger, more diversified earnings base while investing for long-term growth.

Codan Summary Financial Performance				
	Half Year ended			
	Dec-25		Dec-24	
	\$m	% of Sales	\$m	% of Sales
Revenue				
Communications products	221.8	56%	187.0	61%
Metal detection	168.0	43%	115.0	38%
Other	3.7	1%	3.6	1%
Total Revenue	393.5	100%	305.6	100%
Business performance				
EBITDA	120.5	31%	83.3	27%
EBIT	99.8	25%	65.8	22%
Interest	(4.9)		(5.5)	
Net profit before tax	94.9	24%	60.4	20%
Taxation	(23.7)		(14.3)	
Net profit after tax	71.2	18%	46.1	15%
Earnings per share, fully diluted	39.0 cents		25.3 cents	
Interim ordinary dividend per share	19.5 cents*		12.5 cents	

*The interim ordinary fully franked dividend has a record date of 26 February 2026 and will be paid on 12 March 2026.

Group revenue increased 29% compared to the pcp, reflecting strong organic growth and a full first half contribution from Kägwerks¹.

Expenses increased during the half, primarily due to targeted investment in strengthening the Group's shared services, higher performance-linked accruals reflecting the strong first half results, product-launch costs, and the inclusion of Kägwerks cost base for the full period.

EBIT and NPAT respectively increased by 52% and 55% versus the pcp, demonstrating strong operating leverage across the Group.

Net Debt and Balance Sheet

Net debt increased by approximately \$10 million to \$88.2 million at 31 December 2025, reflecting working capital investment associated with continued business growth in H1 FY26. The Group balance sheet is in a strong position with a net debt to EBITDA ratio of 0.4 times, undrawn debt facility of \$140 million, with a further \$150 million in accordion capacity available subject to bank approval. These facilities provide Codan with financial flexibility to pursue strategic inorganic growth opportunities.

Communications (DTC & Zetron)

Codan's Communications business designs and manufactures mission-critical communication solutions for global military and public safety applications. These solutions allow customers to save lives, enhance security and support peacekeeping activities worldwide.

¹ Kägwerks acquisition settled 5 December 2024

Communications revenue increased 19% to \$221.8 million compared to the pcp. Communications segment profit was \$58.3 million, up 17% compared to the pcp, with segment profit margins of 26.3% broadly in line with the pcp. This segment margin is a result of the challenging trading environment for Zetron during H1 FY26, in addition to the inclusion of Kägwerks for the full period, which temporarily moderated the pace of segment profit margin improvement. The Group remains focused on increasing Communications' segment profit margins, targeting 30% by the end of FY27.

DTC delivered strong growth during the first half, particularly from defence and unmanned systems applications demand. Revenue from the high-growth unmanned sector increased 68% to \$73 million during H1 FY26 versus pcp. Approximately half of this unmanned revenue, during the period related to operational defence applications in conflict zones, with the balance being driven by the adoption of DTC's technologies, across non-conflict defence and security programs in Asia, the US and Europe. Importantly, growth rates across both conflict and non-conflict markets were broadly consistent, reinforcing the structural expansion of the unmanned systems market. This performance reflects continued product evolution, including increased adoption of DTC's software-defined radio platform and the BLU-SDR-90, which delivers long-range, high-bandwidth connectivity in a compact, low size, weight and power (SWaP) form factor. The BLU-SDR-90 is optimised for contested environments and is increasingly deployed within unmanned and autonomous system applications.

Kägwerks delivered a full first-half contribution in line with expectations and continued to integrate effectively within Codan's DTC division. The business contributed to Communications segment performance through its established position within the US military communications market, including ongoing participation in the Nett Warrior Program of Record.

Trading conditions for Zetron Americas were temporarily impacted by slower procurement cycles across the state and local agencies that we serve, which extended sales cycles and deferred order timing during the half. Early indications in the second half of FY26 are encouraging, with trading conditions showing signs of improvement as funding approvals progress. EMEA and APAC markets delivered stable performance during the H1 FY26. Research and development efforts remain focused on advancing Next Generation 911 (NG911) capabilities, including IP-based call handling, multimedia intake (text, image and video) and enhanced location accuracy, alongside the continued development of the SALUS platform. The SALUS platform is designed to provide a more integrated, standards-based and flexible solution across command and control, supporting long-term platform consistency and interoperability.

Collectively, Communications' aggregate orderbook grew to \$294 million at 31 December 2025 (up 19% versus the pcp), driven by strong order intake in both DTC and Zetron.

Metal Detection (Minelab)

Minelab is the world leader in handheld metal detection technologies for the recreational, gold mining, demining and military markets. For more than 30 years Minelab has led the metal detection industry to new levels of technological excellence.

Minelab's first half results were exceptional, with revenue up 46% vs pcp to \$168.0 million and segment profit was \$76.2 million, up 86% versus the pcp. As a result of an increase in the proportion of revenue generated from gold detector sales, Minelab increased segment profit margin to 45% during the half, versus 36% in the pcp.

Minelab Africa delivered an exceptional H1 FY26 result, with revenues of approximately \$95 million, driven primarily by strong demand from West Africa for Minelab's gold detection technologies and favourable gold price conditions.

Minelab Rest of World (RoW) delivered high-teens revenue growth in H1 FY26, more than offsetting variability associated with the project-based countermining business. RoW performance reflects continued strength across key recreational markets and was supported by strong underlying demand, an excellent contribution from recent product introductions, and the ongoing expansion of Minelab's direct-to-consumer e-commerce platform.

Minelab continues to invest in product innovation and engineering to support its technology leadership across its detection portfolio. During H1 FY26, Minelab launched three new and upgraded products, including the Gold Monster 2000, the upgraded Vanquish 60 series, and the MDS-20 detector. Customer feedback on the Gold Monster 2000 to date has been very positive, reflecting strong interest in its enhanced performance and ease of use. The Vanquish upgrade further strengthens Minelab's offering in the accessible multi-purpose segment, while the release of the MDS-20 extends the application of Minelab's detection technology into military environments. A new high-end gold detector is scheduled for release in the coming weeks, continuing the cadence of product releases and innovation.

Minelab continues to invest in the development of new detector platforms to support future product refreshes and extend its technology leadership in its core markets. Collectively, these product launches demonstrate the depth of Minelab's innovation capability and reinforce its leading position in recreational and specialist detection markets.

Outlook

Market conditions remain positive in both Communications and Metal Detection, reflecting the diversified nature of the Group's portfolio and the quality of our businesses. Codan's strategy is to continue to invest in engineering programs to maintain product and technology leadership and to underpin long-term growth.

In Communications, elevated defence spending and ongoing geopolitical tensions globally continue to generate strong demand for unmanned systems products. Communications is on track to deliver FY26 revenue growth within a 15 to 20% target range, supported by strong underlying demand and the full-year contribution from Kägwerks.

Minelab revenue in the second half of FY26 to date is tracking in line with strong first-half performance. Based on current trading conditions, the Group expects second-half performance to be at least in line with the first half, supported by favourable gold market conditions and a full six-month contribution from recent product releases.

With balance sheet capacity and a disciplined approach to capital allocation, Codan remains well positioned to continue investment in the business and pursue future acquisitions that fit our product and technology roadmaps and enhance the quality, resilience and diversification of its earnings.

State of Affairs

There were no significant changes in the state of affairs of the group other than those referred to in this financial report.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half year ended 31 December 2025.

Rounding Off

The company is of a kind referred to in *ASIC Legislative Instrument 2016/191* dated 1 April 2016 and, in accordance with that Legislative Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:



G Barclay
Director



A Ianniello
Director

Dated at Mawson Lakes this 18th day of February 2026.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Codan Limited

I declare that, to the best of my knowledge and belief, in relation to the review of the interim financial report of Codan Limited for the half-year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Julie Cleary', written in a cursive style.

Julie Cleary
Partner
Sydney
18 February 2026

Consolidated interim income statement for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

		Consolidated	
	Note	Half Year Ended 31 December 2025 \$'000	Half Year Ended 31 December 2024 \$'000
Revenue	2	393,511	305,619
Cost of sales		<u>(164,474)</u>	<u>(133,204)</u>
Gross profit		229,037	172,415
Administrative expenses		(35,626)	(27,729)
Sales and marketing expenses		(70,635)	(59,462)
Engineering expenses		(22,808)	(19,057)
Net financing costs	3	(4,827)	(5,793)
Other expenses		<u>(241)</u>	<u>(21)</u>
Profit before tax	2	94,900	60,353
Income tax expense	5	<u>(23,730)</u>	<u>(14,290)</u>
Profit for the period		71,170	46,063
Attributable to:			
Equity holders of the company		71,170	46,044
Non-controlling interests		<u>-</u>	<u>19</u>
		<u>71,170</u>	<u>46,063</u>
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		39.2 cents	25.4 cents
Diluted earnings per share		39.0 cents	25.3 cents

The consolidated interim income statement is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 16.

Consolidated interim statement of comprehensive income for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

	Half Year Ended 31 December 2025 \$'000	Consolidated Half Year Ended 31 December 2024 \$'000
Profit for the period	71,170	46,063
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of cash flow hedges	(69)	(2,037)
less tax effect	21	611
Changes in fair value of cash flow hedges, net of income tax	(48)	(1,426)
Exchange differences on translation of foreign operations	(12,474)	26,560
Other comprehensive income for the period, net of income tax	(12,522)	25,134
Total comprehensive income for the period	58,648	71,197
Attributable to:		
Equity holders of the company	58,648	71,178
Non-controlling interests	-	19
	58,648	71,197

The consolidated interim statement of comprehensive income is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 16.

Consolidated interim balance sheet as at 31 December 2025

Codan Limited and its Controlled Entities

	Note	31 December 2025 \$'000	Consolidated 30 June 2025 \$'000
CURRENT ASSETS			
Cash and cash equivalents		21,777	39,731
Trade and other receivables		116,975	93,102
Inventory		143,196	140,700
Current tax assets		4,500	3,770
Other assets		47,712	45,463
Total current assets		<u>334,160</u>	<u>322,766</u>
NON-CURRENT ASSETS			
Property, plant and equipment		42,887	42,545
Right-of-use assets		29,426	31,098
Product development		170,966	165,400
Intangible assets		332,997	341,162
Other assets		1,834	1,834
Total non-current assets		<u>578,110</u>	<u>582,039</u>
Total Assets		<u>912,270</u>	<u>904,805</u>
CURRENT LIABILITIES			
Trade and other payables		148,137	161,264
Lease liabilities		7,557	7,534
Current tax payable		14,684	7,856
Provisions		17,239	17,382
Total current liabilities		<u>187,617</u>	<u>194,036</u>
NON-CURRENT LIABILITIES			
Trade and other payables		7,202	18,751
Loans and borrowings		110,000	118,000
Lease liabilities		33,252	35,202
Deferred tax liabilities		11,747	10,369
Provisions		4,557	4,620
Total non-current liabilities		<u>166,758</u>	<u>186,942</u>
Total liabilities		<u>354,375</u>	<u>380,978</u>
Net assets		<u>557,895</u>	<u>523,827</u>
EQUITY			
Share capital		60,112	53,618
Reserves		92,951	107,449
Retained earnings		404,832	362,760
Total equity attributable to the equity holders of the company		<u>557,895</u>	<u>523,827</u>

The consolidated interim balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 16.

Consolidated interim statement of changes in equity for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

Consolidated

Half year ended 31 December 2025	Share capital \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Equity based payment reserve \$'000	Profit reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 30 June 2025	53,618	45,933	1,213	1,322	58,981	362,760	523,827
Profit for the period	-	-	-	-	-	71,170	71,170
Change in fair value of cash flow hedges	-	-	(48)	-	-	-	(48)
Exchange differences on translation of foreign operations	-	(12,474)	-	-	-	-	(12,474)
	53,618	33,459	1,165	1,322	58,981	433,930	582,475
Transactions with owners of the company							
Dividends recognised during the period	-	-	-	-	-	(29,098)	(29,098)
Performance rights expensed	-	-	-	2,749	-	-	2,749
Allocation of Treasury Shares	4,725	-	-	(4,725)	-	-	-
Director and employee share plans	1,769	-	-	-	-	-	1,769
Balance at 31 December 2025	60,112	33,459	1,165	(654)	58,981	404,832	557,895

Consolidated

Half year ended 31 December 2024	Share capital \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Equity based payment reserve \$'000	Profit reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 30 June 2024	50,319	32,012	332	1,538	58,981	303,750	446,932
Profit for the period	-	-	-	-	-	46,063	46,063
Change in fair value of cash flow hedges	-	-	(1,426)	-	-	-	(1,426)
Exchange differences on translation of foreign operations	-	26,560	-	-	-	-	26,560
	50,319	58,572	(1,094)	1,538	58,981	349,813	518,129
Transactions with owners of the company							
Dividends recognised during the period	-	-	-	-	-	(21,758)	(21,758)
Performance rights expensed	-	-	-	1,866	-	-	1,866
Allocation of Treasury Shares	2,451	-	-	(2,451)	-	-	-
Balance at 31 December 2024	52,770	58,572	(1,094)	953	58,981	328,055	498,237

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 16.

Consolidated interim statement of cash flows for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

		Consolidated	
Note	Half Year Ended 31 December 2025 \$'000	Half Year Ended 31 December 2024 \$'000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	374,948	303,966	
Cash paid to suppliers and employees	(299,439)	(245,663)	
Interest received	243	158	
Interest paid	(4,144)	(4,771)	
Interest on lease liabilities	(951)	(844)	
Income taxes paid	(16,682)	(12,604)	
Net cash from operating activities	53,975	40,242	
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions (net of cash acquired)	-	(34,997)	13
Proceeds from disposal of property, plant and equipment	-	77	
Payments for capitalised product development	(24,924)	(22,215)	
Acquisition of property, plant and equipment	(4,780)	(3,813)	
Acquisition of intangibles (computer software and licences)	(954)	(3,319)	
Net cash used in investing activities	(30,658)	(64,267)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns of borrowings	72,000	78,875	
Repayments of borrowings	(80,000)	(22,000)	
Payment of lease liabilities	(3,674)	(3,621)	
Dividends paid	(29,098)	(21,758)	4
Net cash (used in)/from financing activities	(40,772)	31,496	
Net (decrease)/increase in cash held	(17,455)	7,471	
Cash and cash equivalents at the beginning of the financial year	39,731	19,703	
Effects of exchange rate fluctuations on cash held	(499)	696	
Cash and cash equivalents at the end of the half year	21,777	27,870	

The consolidated interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 16.

Condensed notes to the consolidated interim financial statements for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

NOTE 1: STATEMENT OF ACCOUNTING POLICY

(a) Reporting entity

Codan Limited (the "company") is a company domiciled in Australia. The consolidated interim financial report of the company for the half year ended 31 December 2025 comprises the company and its subsidiaries (together referred to as the "group").

(b) Statement of compliance

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the group as at and for the year ended 30 June 2025. The consolidated annual financial report of the group as at and for the year ended 30 June 2025 is available on request from the company's registered office at 2 Second Avenue, Mawson Lakes, South Australia and is also available on the company's website (www.codan.com.au).

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, in accordance with that Legislative Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated. The consolidated interim financial report was authorised for issue by the directors on 18 February 2026.

(c) Estimates

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates. In preparing this consolidated interim financial report, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2025.

(d) Material accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the group's consolidated financial statements as at and for the year ended 30 June 2025.

(e) Future Australian Accounting Standards requirements

A number of new standards are effective after 31 December 2025 and earlier application is permitted; however, the group has not early adopted the new or amended standards in preparing these consolidated financial statements.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements. The new standard introduces new requirements for the Income Statement, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the Income Statement and Balance Sheet line items are presented as well as some additional disclosures in the notes to the financial statements. The Company is in the process of assessing the impact of the new standard.

Condensed notes to the consolidated interim financial statements for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

Australian Sustainability Reporting Standards

The first Australian Sustainability Reporting Standards (ASRS) have been approved by the Australian Accounting Standards Board (AASB). The standard to be adopted is AASB S2 Climate-related Disclosures (a mandatory standard). AASB S1 and AASB S2 are effective for annual reporting periods beginning 1 January 2025 and are applicable to the group. The group is in the process of assessing the impact of these standards.

GROUP PERFORMANCE

NOTE 2: SEGMENT REPORTING

The “Communications” segment includes the design, development, manufacture, and marketing of communication solutions. The “Metal Detection” segment includes the design, development, manufacture, and marketing of metal detection equipment. The “Other” business segment relates to the manufacturing and sale of tracking products to Caterpillar Inc.

In presenting information on the basis of geographical segments, segment revenue has been based on the geographic location of the invoiced customer.

	Half Year Ended 31 December 2025 \$'000	Half Year Ended 31 December 2024 \$'000
Segment revenue		
Communications	221,774	186,963
Metal detection	167,988	115,010
Other	3,749	3,646
	<u>393,511</u>	<u>305,619</u>
Revenue recognition (at a point in time compared to over time)		
Revenue recognised at a point in time	350,712	266,052
Revenue recognised over time	42,799	39,567
	<u>393,511</u>	<u>305,619</u>
Segment result		
Communications	58,333	49,764
Metal detection	76,187	40,988
Other	341	331
	<u>134,861</u>	<u>91,083</u>
Unallocated net financing costs	(3,876)	(4,949)
Unallocated corporate expenses and other income	<u>(36,085)</u>	<u>(25,781)</u>
Profit for the period before income tax expense	<u>94,900</u>	<u>60,353</u>
	31 December 2025 \$'000	30 June 2025 \$'000
Segment assets		
Communications	657,545	631,909
Metal detection	208,701	207,773
Other	1,495	2,523
Unallocated corporate assets	44,529	62,600
	<u>912,270</u>	<u>904,805</u>

The group derived its revenues from a number of countries. The significant countries where revenue was 10% or more of total revenue were the United States of America totaling \$162.302 million (2024: \$127.295 million) and the United Arab Emirates totaling \$63.081 million (2024: \$33.313 million).

Condensed notes to the consolidated interim financial statements for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

	Consolidated	
	Half Year Ended 31 December 2025 \$'000	Half Year Ended 31 December 2024 \$'000

GROUP PERFORMANCE (CONTINUED)

NOTE 3: NET FINANCING COSTS

Interest income	(243)	(158)
Net foreign exchange (gain)/loss	581	448
Cash Flow Hedge (gain)/loss	(606)	(112)
Interest expense	4,144	4,771
Finance charge on lease liabilities	951	844
	4,827	5,793

NOTE 4: DIVIDENDS

Codan Limited has provided or paid for dividends as follows:

- ordinary final dividend of 16.0 cents per share paid on 17 September 2025	29,098	
- ordinary final dividend of 12.0 cents per share paid on 18 September 2024		21,758

Since the end of the half year, the directors declared an interim fully franked dividend of 19.5 cents per share payable on 12 March 2026. The financial impact of this interim dividend \$35.585 million has not been brought to account in the group financial statements for the half year ended 31 December 2025 and will be recognised in subsequent financial reports.

TAXATION

NOTE 5: INCOME TAX EXPENSE

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by an estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the effect of certain items recognised in the interim reporting period. The group's consolidated effective tax rate of 25.0% for the half year ended 31 December 2025 is not materially different to the effective tax rate for the half year ended 31 December 2024 (23.7%).

OTHER NOTES

NOTE 6: FINANCIAL INSTRUMENTS

The group's financial instruments carried at fair value have been valued by using a "level 2" valuation method. Level 2 valuations are obtained from inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly. At the end of the half year, financial instruments valued at fair value were limited to net foreign currency hedges receivable of \$1.664 million for which an independent valuation was obtained from the relevant banking institution.

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The group enters into performance bonds with customers to support its delivery obligations as a supplier of electronic equipment.

Condensed notes to the consolidated interim financial statements for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

OTHER NOTES (CONTINUED)

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

An interim dividend was declared after the end of the half year as disclosed in note 4. Other than this, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

NOTE 9: RELATED PARTIES

There have been no material changes to arrangements with related parties since 30 June 2025. For details of these arrangements, refer to the 30 June 2025 annual financial report.

NOTE 10: NET TANGIBLE ASSET / LIABILITY PER SHARE

	31 December 2025	30 June 2025
Net tangible asset per share	36.0 cents	15.2 cents
Net tangible asset per share (excluding right of use assets)	19.9 cents	(1.8 cents)

NOTE 11: EMPLOYEE BENEFITS

The company issued 67,896 performance rights in October 2025 to the Chief Executive Officer. The total expense recognised as employee costs in the half year in relation to performance rights issued was \$2.749 million. The fair value of the rights issued in the year has been measured consistently with the method disclosed in the annual report for the year ended 30 June 2025.

As at 30 June 2025, the number of performance rights on issue was 1,395,783, out of which 179,584 vested during the half year ended 31 December 2025, which had a weighted average share price of \$29.84. A further 245,538 performance rights either lapsed or were forfeited during the half year ended 31 December 2025. With the above-mentioned new performance rights issued, this resulted in a total closing balance of 1,038,557 as at 31 December 2025.

NOTE 12: BANK FACILITIES

The multi-option facility has a number of components that are supported by interlocking guarantees between Codan Limited and its subsidiaries and are also subject to compliance with certain financial covenants. The group facilities are tested bi-annually to meet financial covenants of interest cover ratio, leverage ratio in addition to a Group Guarantee Condition. The group complies with all covenants on and before reporting date.

The group expects to comply with the covenants within 12 months after the reporting date. On 19 August 2025, the company received financial institution approval for renewed banking facilities. The multi-option facility is for \$250 million and has a term of three years expiring in September 2028. A second multi-option facility for \$150 million may be available subject to financial institutions approval. The total facility drawn down as at 31 December 2025 was \$110 million.

Condensed notes to the consolidated interim financial statements for the half year ended 31 December 2025

Codan Limited and its Controlled Entities

OTHER NOTES (CONTINUED)

NOTE 13: ACQUISITIONS

The Company acquired all of the shares in SKT2 LLC dba Kägwerks (Kägwerks) on 5 December 2024 and initially recognised the acquired assets and liabilities of Kägwerks at their provisional fair values as disclosed in the financial statement for the half year ended 31 December 2024. Subsequently the Company conducted detailed valuations of the assets and liabilities acquired as at the acquisition date which resulted in the following adjustments:

	Provisional fair value recognised at date of acquisition \$000	Fair value adjustment \$000	Final fair value \$000
Estimated fair value of consideration transferred			
Cash paid	37,394	-	37,394
Contingent consideration	7,530	(2,529)	5,001
Acquiree's cash balance at acquisition date	(1,292)	-	(1,292)
	43,632	(2,529)	41,103
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis			
Total assets	34,034	(2,277)	31,757
Total liabilities	(12,650)	(465)	(13,115)
	21,384	(2,742)	18,642
Estimated goodwill as a result of the acquisition			
Estimated fair value of consideration transferred	43,632	(2,529)	41,103
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis	(21,384)	2,742	(18,642)
	22,248	213	22,461

NOTE 14: GOODWILL

	\$'000
Reconciliation of Goodwill:	
Carrying amount at beginning of year	323,495
Adjustment on prior year's acquisitions	213
Net foreign currency differences on translation of foreign entities	(8,495)
Carrying amount as at 31 December 2025	315,213

Directors' declaration

Codan Limited and controlled entities

In the opinion of the directors of Codan Limited ("the company"):

- (a) the financial statements and notes, set out on pages 7 to 16, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2025 and of its performance for the six-month period ended on that date and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Mawson Lakes this 18th day of February 2026.

Signed in accordance with a resolution of the directors:



G Barclay
Director



A Ianniello
Director



Independent Auditor's Review Report

To the shareholders of Codan Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Codan Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Codan Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated interim balance sheet as at 31 December 2025;
- Consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of statement of cash flows for the Half-year ended on that date
- Notes 1 to 14 comprising material accounting policies and other explanatory information; and
- The Directors' declaration.

The **Group** comprises Codan Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Julie Cleary

Partner

Sydney

18 February 2026