

23 October 2024

Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**CHAIRMAN'S ADDRESS AND CEO'S ADDRESS
TO CODAN LIMITED HYBRID ANNUAL GENERAL MEETING
WEDNESDAY 23 OCTOBER 2024, 11AM ADELAIDE TIME**

In accordance with Listing Rule 3.13.3, attached is a copy of the Chairman's Address and CEO's Address to be delivered today at the 2024 Annual General Meeting.

On behalf of the Board



Michael Barton
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:-

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CODAN'S 2024 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND CEO'S ADDRESS

CHAIRMAN'S ADDRESS

I extend a warm welcome to all shareholders attending Codan's 2024 AGM. I am privileged to be the chair of your Company; this is my second AGM in this role.

FY24 PERFORMANCE

Codan had an excellent FY24 with Group revenues up by 21%, EBIT up by 29% and NPAT up by 24%.

To provide the scale of these percentage improvements, Group revenues were \$550 million, Group EBITDA was \$147 million (up by 27%), Group EBIT was \$114 million and Group NPAT was \$ 81 million.

Pleasingly, the contribution to this improvement at Group level came from strong performance in each of our businesses.

Our Communications business (comprising Zetron and Tactical Communications) is core to our future growth and performed strongly with revenues up 19% versus FY23. Communications continued to strengthen its position in the market as a solutions provider, with the orderbook growing 21% to \$197 million at 30 June 2024. The Zetron Limited (previously referred to as Eagle) and Wave Central businesses acquired during last financial year performed well with integration activities now completed. Contribution margins were flat at 25% as we made the decision to continue to invest in systems and new people to position the business for future top line growth and we expect to see steady margin improvements over the next 3 years.

Our strategy remains to continue to invest in the Communications segment to drive revenue growth, enhance revenue and earnings predictability and capitalise on growth opportunities in large addressable markets.

Our metal detection business also delivered a strong FY24 result, with each of Minelab's divisions delivering increased revenues, collectively up 25% versus FY23. Contribution margins improved from 32% to 35% in Minelab. Our strategy remains to invest in metal detection technologies and distribution channels, to drive revenue growth and enhance financial returns.

STRATEGY

Our primary focus remains on strengthening the business to achieve sustainable, profitable growth for the future, reinforcing a stronger Codan. We remain committed to our clearly articulated 3-pillar strategy – invest in ourselves, strengthen our core business and disciplined capital allocation. Our Executive team has deeply reviewed the markets we operate in and developed a detailed list of prioritised strategic initiatives for each of our businesses (Zetron, Tactical Communications and Minelab); this establishes a clear and insightful roadmap for our executive team to execute on over the next 3 years.

We are continuing to allocate capital:

- to develop our pipeline of new products to strengthen our core business; and
- to accelerate our growth through the acquisition of businesses and technologies that fit with and/or accelerate our strategy and product development roadmaps.

We see our ability to identify, execute and successfully integrate bolt-on acquisitions as an important capability and a competitive advantage that will continue to deliver accretive returns for shareholders.

During FY24 we acquired Zetron Limited and Wave Central and last month we announced we had executed transaction documents to acquire 100% of Kägwerks, which enables Tactical Communications to broaden its offering as a full tactical military radio solutions provider and provides immediate credibility, name recognition and scale, in the US military market in particular.

We will continue to review opportunities to grow inorganically where these make sense, where they enhance the quality of our revenues and add complementary products and technologies. We require capital flexibility to be able to take advantage of inorganic opportunities as they arise, and this means that our capital structure will need to continue to evolve to meet our future funding requirements. This brings me to the balance sheet.

NET DEBT AND FUNDING

Net debt increased \$23.7 million during the year to \$75.4 million at 30 June 2024. This was after paying \$37.2 million cash consideration for acquisitions, investing \$40.0 million into product development and paying out \$36.3 million in dividends during the year.

During FY24, the Group increased its existing bank facility to \$170 million (from \$140 million previously) and announced a further increase in bank facilities to \$200 million at the end of September when we announced the Kägwerks transaction. Debt is a cheaper cost of capital than equity and Codan continues to have a strong balance sheet, evidenced by our low leverage ratio at significantly less than one times our historic EBITDA. Our debt facilities provide us with flexibility to pursue our bolt-on acquisition strategy where that makes sense.

EXECUTIVE REMUNERATION

Last year I addressed the AGM at the end of a year where our executive team did not receive any short-term bonus. That was not the case in FY24 as we reported in the remuneration report, as many of our FY24 targets were achieved. Importantly, during FY24 we began the process to evolve the remuneration incentive and retention structure that applies to our executive team, particularly our CEO, and that evolution continues with the proposed structure of the superior performance incentive that we intend to implement for FY25, with your approval. If approved for our CEO, we will implement a similar structure for other key executives.

This incentive is additional to normal LTI as it applies only if 3-year compound annual growth in EPS is achieved between the range of 14 % and 21%. My philosophy is that a greater proportion of executive remuneration should be 'at risk', be based on medium to long term outcomes and be equity based to bring greater alignment with shareholder outcomes and, also, that the executive team should be rewarded for achieving superior performance.

The rationale and mechanics of the superior performance incentive scheme is fully set out in the Explanatory Memorandum and accompanying notes.

THANK YOU

I thank the Codan executive team, led very effectively by Alf, and all Codan employees for their efforts and contribution, during FY24 and FY25 year to date, to building a stronger Codan.

I also thank my board colleagues for their collegiate and straight-forward approach, and their wisdom, in all the matters we have had to deal with in FY24 and FY25 to date.

Finally, to our shareholders, we appreciate you have a choice how and where you invest, and we thank you for your interest and investment in, and support of, Codan.

Please now welcome your Managing Director, Alf Ianniello, for his address.

CEO's ADDRESS

Ladies and Gentlemen,

I am delighted to welcome you all to the 2024 Codan Annual General Meeting, my third AGM as CEO.

It is a pleasure to be here today and to see so many familiar faces, and I would also like to acknowledge those shareholders joining us online.

FY24 Performance Highlights

I am proud to report that Codan has delivered a strong financial performance for FY24. Our Group revenues increased by 21%, with EBIT increasing by 29% and NPAT up 24%. This represents our third consecutive half of sustainable growth, underscoring our commitment to driving profitable outcomes while reinforcing a stronger Codan for the future.

Our Communications segment has been a cornerstone of this success, achieving a revenue increase of 19% compared to the prior year. This growth is bolstered by the integration of our recent acquisitions, including Zetron UK and Wave Central. The order book has grown, now totalling \$197 million—an increase of 21% year-on-year. This robust order book positions us well for continued success, and we are optimistic about our ability to deliver on our growth initiatives.

In our Metal Detection segment, Minelab has demonstrated its strength, with revenues increasing by 25%. This success stems from our ongoing investment in product innovation and expanding our distribution channels. We are dedicated to enhancing our technological capabilities and ensuring that we remain the market leader in handheld metal detection.

I am also pleased to announce that we have paid a fully franked dividend of 22.5 cents per share for FY24, an increase of 22% over FY23, reflecting our strong performance and commitment to returning value to our shareholders.

Strategic Investments and Future Focus

As we look ahead, our strategy is clear, we will continue to invest in our core businesses while seeking opportunities that enhance our technological capabilities and market reach. During FY24, we invested in strengthening our people, processes, and systems, ensuring we are well-equipped to achieve our strategic growth initiatives.

We will continue to look for future acquisitions that enhance the quality of the Group's revenues. Specifically, Codan's focus on acquiring businesses within the Communications segment, that complement our existing businesses and target growth markets that will increase future earnings visibility.

Acquisition of Kägwerks

As announced in late September, we have entered into a binding agreement to acquire 100% of Kägwerks, with completion expected in early December 2024.

Kägwerks has developed a portfolio of proprietary DOCK™ products that enable secure and integrated communication in military environments. Their technology enhances situational awareness and provides a strategic advantage in the field. This acquisition will broaden our offering, allowing us to position Codan as a full tactical military radio solutions provider. With Kägwerks' established relationships within the US Department of Defense and their proven product performance, we expect future growth opportunities, leveraging our existing global distribution network.

The financial framework for this acquisition includes an upfront payment of approximately \$33.6 million, alongside performance-based royalties. We anticipate revenues in the range of \$49 million to \$57 million in the first year of ownership, which we believe will enhance our earnings per share immediately. This strategic acquisition not only strengthens our market position but also aligns with our commitment to delivering long-term shareholder value.

I'll now hand over to Paul Sangster, who leads our Tactical Communications division. Paul will talk a bit about the technology featured in our presentation and provide insights into the Nett Warrior program.

Thanks Alf! As Alf mentioned earlier, Kägwerks has developed a portfolio of dismounted soldier solutions which encompasses both hardware and software products. The product portfolio which is branded DOCK series, provide soldiers with a lightweight network hub integrating disparate equipment into a single compact solution. Examples of their world class products can be seen on this slide, including their DOCK Lite and Radio products.

On the right-hand side of the slide, you can also see their recently developed DOCK Ultra product, supporting high-powered tactical artificial intelligence and edge computing solutions. We are excited about what opportunities this next generation of products can bring as it enhances the situational awareness, decision-making capabilities and improved response times in critical situations to support soldiers in today's modern battlefield.

The next slide elaborates on some of the key benefits of Kägwerks technology. Simply put, their secure, real-time connected network hub optimises intelligence for deployed personnel, via:

- Performance – notably size, weight and power, as well as cost efficiencies;
- Secure networking – across harsh and remote military environments;
- Interoperability – integrating radio agnostic equipment into a single compact solution;
- Real-time connectivity – across entire command and control chain;
- Scalable – rapidly deployable, requiring minimal training; and
- Future focused incorporating artificial intelligence.

In 2022, Kägwerks was selected as a provider of the US Army Nett Warrior Secure Wired and Wireless Intra-Soldier Network Hub, part of the Nett Warrior Program. This advanced system, developed by the US Department of Defense, aims to enhance situational awareness for soldiers on the battlefield. It is a stable, funded US Program of Record.

It's proven track record in the US programs allow for credibility and expansion into other Five Eyes and NATO countries.

For those unfamiliar with Programs of Record, these are acquisition initiatives that are formally approved and funded by the US government for up to 5 years plus. They undergo a rigorous planning and evaluation process to ensure they meet specific requirements and objectives.

Under the Nett Warrior Program, Kägwerks is responsible for the development and supply of a portfolio of proprietary DOCK™ branded hardware and software solutions. These products support high-powered third-party soldier communications in contested battlefield conditions. Kägwerks' DOCK products are the centrepiece of Nett Warrior's Soldier System, which is scheduled to be fielded through to 2029.

The system combines a chest mounting solution for the soldier's end user device and a networking hub that connects various soldier-worn radios, peripherals and data sources. Moreover, it supports both cable and secure Intra-Soldier Wireless network connections to reduce cable clutter, weight, volume, and unit cost.

In summary, we're really excited to welcome the Kägwerks team to our Tactical Communications division and its technology into our solutions offering which fits our acquisition strategy of enhancing our portfolio within the Military, Unmanned Systems and Law Enforcement Markets. Their intellectual property has been field-tested and accepted into U.S Department of Defense, giving us a strong foundation to pursue additional tenders for other Programs of Record. A key strategic objective is to improve our revenue predictability, and by participating in Programs of Record this will increase predictability by securing stable, long-term multi-year contracts.

Lastly, the compatibility of DTC's mesh radio with Kägwerks' technology is highly complementary for our existing business. Together Tactical Communications and Kägwerks represent a full solutions provider that will increase opportunities across key military, unmanned systems and law enforcement markets. The combined business also positions us to leverage international distribution channels, opening new growth and collaboration opportunities in global markets.

I'll now hand back to Alf.

Commitment to ESG

Over the last 12 months, we have taken significant strides in embedding our Environment, Social, and Governance (ESG) framework across Codan. We remain committed to ensuring that our initiatives align with the principles of this framework, focusing on key areas such as climate change and community support.

In our climate efforts, we have engaged with stakeholders globally to assess our carbon footprint and explore emissions reduction opportunities. We are on track to meet current Australian legislative requirements regarding climate disclosures, while continuing to invest in our climate journey.

On the social front, we actively support community programs that assist disadvantaged groups and encourage students of all backgrounds to pursue careers in STEM. Our notable initiatives include the Codan Founders Scholarship program and ongoing support for the Undergraduate STEM Scholarship for Women, among others.

Core Values

At Codan, our core values guide our actions and shape our culture. We prioritise a customer-driven approach, dedicating ourselves to understanding our customers' needs and exceeding

their expectations. Trust and integrity form the foundation of our business, and we commit to upholding the highest ethical standards.

We embrace high performance, striving for excellence in everything we do and fostering a culture of continuous learning. Additionally, our "can-do" attitude empowers our employees to think creatively and embrace challenges as growth opportunities.

These core values are not just words; they inform our decisions and shape our interactions, creating a culture of excellence, collaboration, and integrity that sets us apart in the industry.

Looking Ahead

As we transition into FY25, we are optimistic about our growth prospects. We remain focused on achieving organic revenue growth of 10 to 15% in our Communications segment and the integration of Kägwerks will further enhance our capabilities, enabling us to compete effectively in the global military communications market. While we continue to target high single-digit revenue growth in Minelab's Rest of World division, we are currently observing some softness in our largest market, North America, as we approach the US elections. Despite this weakness, we still expect Minelab's first half revenues to be ahead of last year.

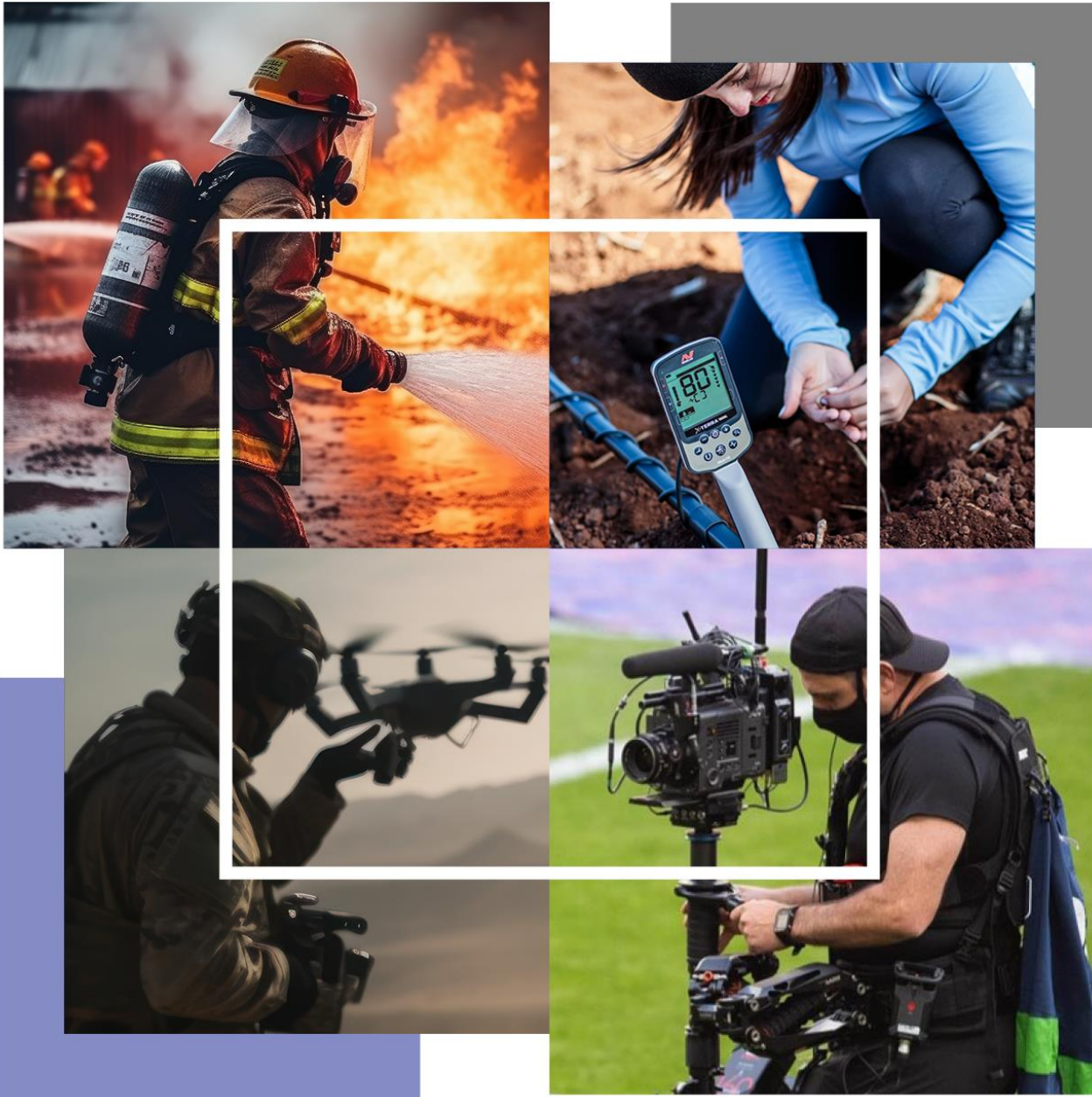
I want to take a moment to extend a special thanks to our executive leadership team. Over the past 12 to 24 months, we have made significant investments in leadership, including the creation of key roles such as Chief Human Resources Officer and Executive General Manager of Strategy, Corporate Development and M&A. In just the first year, we have accomplished a tremendous amount together, setting a solid foundation for our future success.

Finally, on behalf of the Board, I would like to acknowledge the significant efforts of our people and thank them for their contribution in helping Codan achieve our FY24 results. Together, we are building a stronger Codan, ready for sustained growth and success in the years to come.

Lastly, I would like to thank all of you, our shareholders for your continued support and investment in Codan.

I would now like to pass back to Graeme.

Thank you.



2024 AGM
Codan Limited
23rd October 2024

Innovation
wherever you are

ACQUISITION OF KÄGWERKS¹

Full tactical military radio solutions - to build capability, credibility and scale

GLOBAL LEADER IN TACTICAL OPERATOR-WORN NETWORKING SOLUTIONS

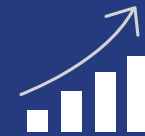


HIGHLY-COMPLIMENTARY IP & TECHNOLOGY

~\$34 MILLION CONSIDERATION²



>30K EXISTING DOCK™ PRODUCTS IN FIELD

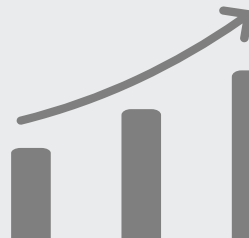


IMMEDIATELY EPS-ACCRETIVE⁴

ESTABLISHED PROVIDER TO U.S. DOD³



ACCEPTED INTO NETT WARRIOR PROGRAM OF RECORD, TO DRIVE LONG-TERM PREDICTABLE REVENUES



BUILDING SCALE ACROSS CORE MILITARY MARKET



CONSISTENT WITH GROWTH STRATEGY TO ENHANCE OFFERING



KÄGWERKS
NEVER A FAIR FIGHT

Refer ASX announcement dated 25 September 2024.

KÄGWERKS DISMOUNTED SOLDIER SYSTEMS

Enabling connectivity and integrated secure networking

DOCK LITE



Compact, lightweight platform

DOCK RADIO



Broadens digital network on the battlefield

DOCK ULTRA



Brings Artificial Intelligence to the edge of the battlefield

- Kägwerks has developed a portfolio of proprietary DOCK™ branded solutions
- Provides soldiers with a lightweight, compact network hub, integrating disparate equipment into a single compact communications solution
- Ensures superior situational awareness and strategic advantage in field operations to optimise real-time battlefield intelligence
- Kägwerks DOCK Ultra™ support high-powered Artificial Intelligence solutions
- End-user focused (incl. US Department of Defence, special operations, Customs and Border Protection, law enforcement and first responders)

BENEFITS OF KÄGWERKS TECHNOLOGY

Optimising intelligence for deployed personnel



- **ENHANCED PERFORMANCE**
including distinct technological advantage of superior size, weight and power (SWAP) as well as cost efficiencies
- **SECURE NETWORKING**
maintaining communications and situational awareness across harsh environments
- **INTEROPERABILITY**
ability to integrate radio agnostic equipment into a single compact communications solution
- **REAL-TIME CONNECTIVITY**
across entire command and control chain
- **SCALABLE**
rapidly deployable, requiring minimal training
- **FUTURE FOCUSED**
complementary core innovative focus - incorporating artificial intelligence

NETT WARRIOR PROGRAM

Kägwerks is a provider to US Department of Defence Program of Record

KÄGWERKS DOCK LITE



- The US Army Nett Warrior Secure Wired and Wireless Intra-Soldier Network Hub (Nett Warrior Program) is an advanced system developed by the US Army to improve situational awareness for battlefield soldiers
- Nett Warrior Program is a funded and stable Army acquisition Program of Record
- In 2022, Kägwerks was selected as a provider to this Program and is responsible for the development and supply of DOCK™ solutions
- Kagwerks' DOCK products are the centrepiece of Nett Warrior's Soldier System which is scheduled to be fielded through to 2029. Kagwerk's receives the majority of its contract orders for DOCK products through the Defense Logistics Agency Tailored Logistics Support Program from Prime Contractors based on specific battalion or deployment requirements and therefore orders are subject to government procurement cycles.
- The DOCK-Lite™ platform redefines communications, using wireless technology for the soldier
- System combines a chest mounting solution for the soldier's end user device, with a networking hub to connect various soldier-worn radios, peripherals and data sources
- Supports both cable and secure Intra-Soldier Wireless network connections to reduce cable clutter, weight, volume, and unit cost
- Enhances overall situational awareness and combat effectiveness