ANNUAL REPORT
2025

Innovation
wherever you are

Innovation **wherever you are**

At Codan, our purpose is to create long-term shareholder value through the design, development and manufacture of innovative technology solutions.

We work with customers in over 150 countries, providing metal detecting and communications solutions for some of the harshest environments on earth.

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Codan Limited
ABN 77 007 590 605

Annual General Meeting

The Annual General Meeting of Codan Limited will be held at 11:00 am on Wednesday, 22 October 2025 at The Courtside Room, The Drive, War Memorial Drive, North Adelaide, South Australia

The meeting will also be held virtually via an online platform at https://meetnow.global/MHP4PFA.

CODAN FY25 SUMMARY

Group revenue of
$674.2 million
up 22% versus prior corresponding period (pcp)

Net profit after tax (NPAT) of
$103.5 million
up 27% versus pcp

Communications revenue of
$413.5 million
up 26% versus pcp

Communications orderbook of
$253.0 million
up 28%
versus pcp

Metal detection revenue of
$254.8 million
up 16%
versus pcp

Annual dividend of
28.5 cents
fully franked
(interim 12.5 cents, final 16.0 cents)

Earnings per share
57.1 cents

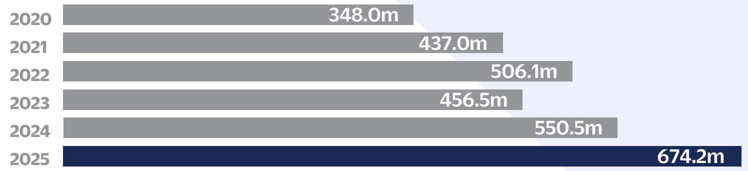
CODAN LIMITED

Founded in 1959 and headquartered in South Australia, Codan Limited (ASX:CDA) is an international company that develops rugged and reliable electronics solutions for government, corporate, NGO and consumer markets across the globe.

Codan's technologies include metal detection and communications.

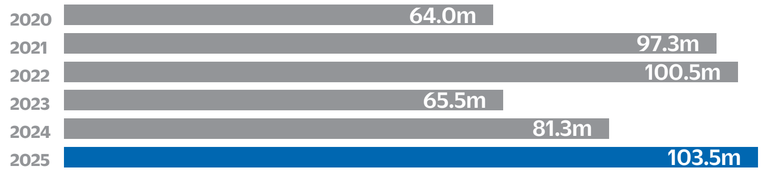
We have over 1000 employees located in Australia, Canada, the USA, the United Kingdom, Ireland, the UAE, Singapore, Malaysia, Denmark, Brazil, Mexico, and India. Our marketing reach embraces activity in over 150 countries, with exports accounting for almost 94% of our sales.

OPERATING REVENUE
$674.2m



EBITDA
$183.7m

NPAT
$103.5m

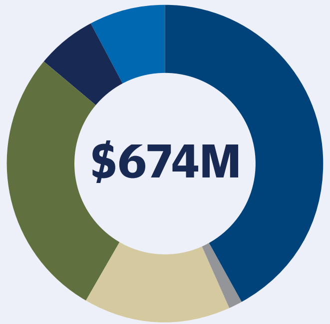


Results for the year ended 30 June	2025	% of sales	2024	% of sales	2023	% of sales	2022	% of sales	2021	% of sales	2020	% of sales
Revenue												
Communications	**$413.5m**	**61%**	$326.9m	59%	$274.5m	60%	$241.7m	48%	$95.5m	22%	$104.0m	30%
Metal Detection	**$254.8m**	**38%**	$219.9m	40%	$176.1m	39%	$262.3m	52%	$326.5m	75%	$236.4m	68%
Other	**$5.9m**	**1%**	$3.7m	1%	$5.9m	1%	$2.1m	0%	$15.0m	3%	$7.6m	2%
Total revenue	**$674.2m**	**100%**	$550.5m	100%	$456.5m	100%	$506.1m	100%	$437.0m	100%	$348.0m	100%
EBITDA	**$183.7m**	**27%**	$147.0m	26%	$116.8m	26%	$162.0m	32%	$158.8m	36%	$117.8m	34%
EBIT	**$146.0m**	**22%**	$113.9m	19%	$88.90m	19%	$137.4m	27%	$139.8m	32%	$89.6m	26%
Interest	**($12.1)m**		($9.4)m		($5.3)m		($1.7)m		($1.1)m		($0.6)m	
Net profit before tax	**$133.9m**	**20%**	$104.5m	19%	$83.6m	18%	$135.7m	27%	$138.7m	32%	$89.0m	26%
Taxation	**($30.4)m**		($23.2)m		($17.4)m		($35.2)m		($41.4)m		($25.0)m	
Net profit after tax	**$103.5m**	**15%**	$81.3m		$65.5m		$100.5m		$90.2m		$64.0m	
Earnings per share, fully diluted	**57.1c**		45.0c		36.5c		55.6c		49.8c		35.3c	
Ordinary dividend per share	**28.5c**		22.5c		18.0c		28.0c		27.0c		18.5c	

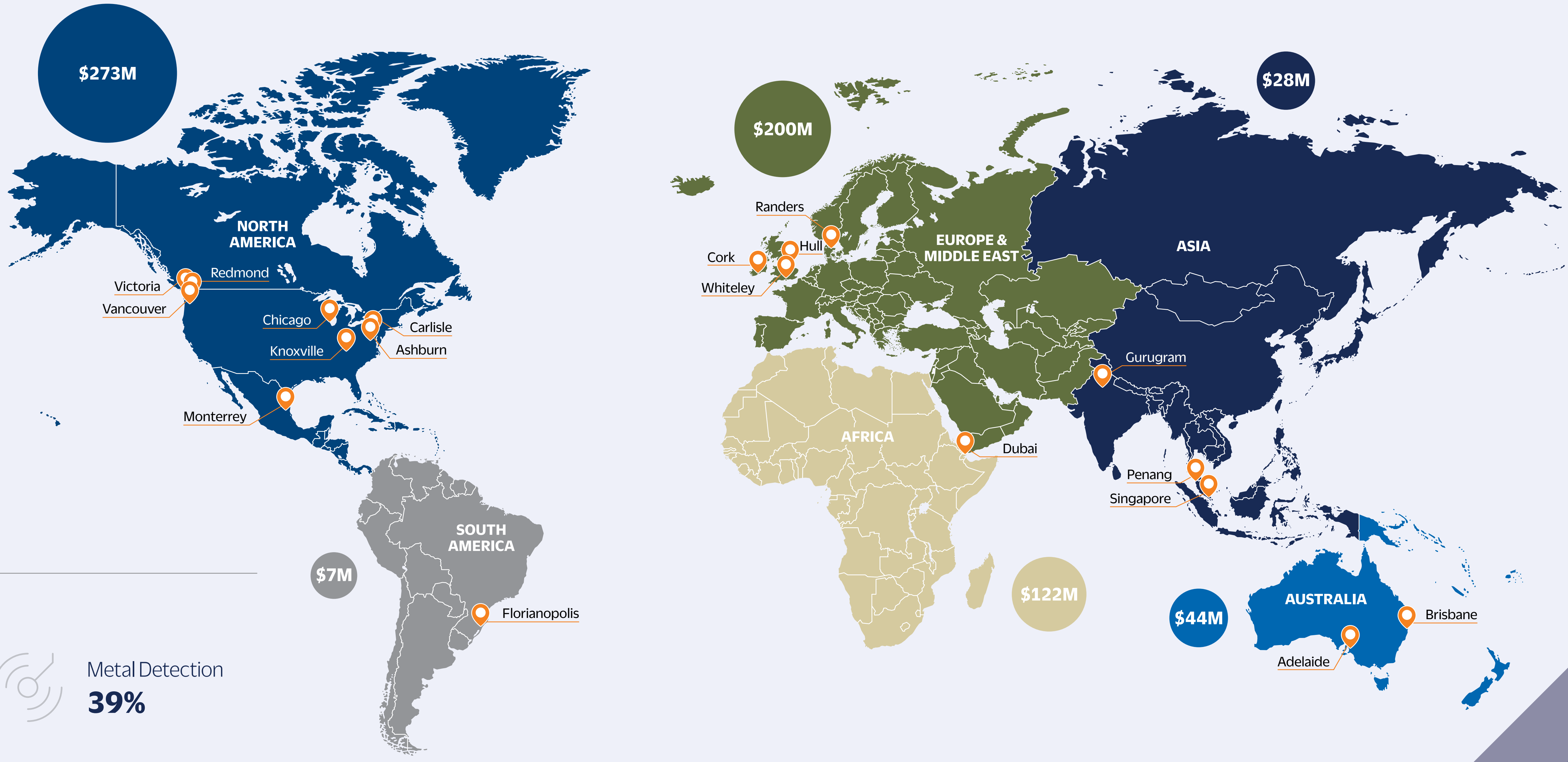
CODAN AT A SNAPSHOT

Global sales

Total sales revenue



Africa	$122M
Asia	$28M
Australia	$44M
Europe and the Middle East	$200M
North America	$273M
South America	$7M



Business segment sales

Communications
61%

Metal Detection
39%

Our global technology business

1000 total employees

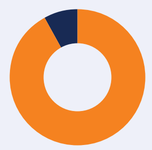
300+ engineers

7 key manufacturing sites

19 sales offices

Invest in ourselves

$69M invested in R&D



10% engineering % to sales

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Codan board and management team, I am pleased to present our Annual Report for the year ended 30 June 2025.

Financial Performance

FY25 year has been a very successful year for Codan, achieving strong growth in group revenues (+22% v pcp), group EBIT (+28% v pcp) and group NPAT (+27% v pcp), and H2 also showed good growth across all metrics compared to H1. Of the EBIT growth of $32m compared to pcp, $28m was achieved organically, an uplift of 27% versus pcp.

	CAGR FY23 to FY25 %	FY25 $'M	FY25 H2 $'M	FY25 H1 $'M	FY24 $'M	FY23 $'M
Revenues	+22%	674.2	368.6	305.6	550.5	456.5
EBIT	+28%	146.0	80.2	65.8	113.9	88.9
NPAT	+26%	103.5	57.4	46.1	81.3	65.5

Pleasingly, each of our businesses contributed to the improved financial performance in the past 12 months.

Our Communications business, comprising Zetron and DTC (formerly Tactical Communications), grew revenues to $413.5m (+26% v pcp) and grew segment profit to $107.9m (+34% v pcp). Looking ahead to FY26, the Communications business targets long-term sales growth of at least 10 to 15% per annum and, as demonstrated in FY24 and FY25, this target growth range can be exceeded. With approximately $155 million of FY26 revenue already secured in the 30 June orderbook, the expectation of increased defence spending, the ongoing growth in the unmanned systems market, and the first full year of contribution from Kägwerks, our Communications business is well positioned to grow in the 15 to 20% range in FY26.

Our Minelab business achieved aggregate revenue of $254.8m (+16% v pcp) achieved organically, with another year of significant improvement in segment profit to $98.2m (+26% v pcp) and segment margins improving to 39% versus 35% in the pcp, reflecting the operational leverage in this business as revenue scales.

Supported by the increasing gold price, Minelab Africa had a strong year, improving revenues by 64% in FY25 to $115m (compared to $71m in the pcp), reflecting broad demand other than from the Sudan region which remains largely disrupted.

A key pillar of our strategy is our ongoing capital allocation to invest in product development roadmaps, innovating and improving existing products and bringing new products to market. Minelab has four new detectors scheduled for release during FY26, which will have a positive impact on FY26 revenues although the full year benefit of these releases will not be seen until FY27.

Dividend

Codan has a policy of distributing approximately 50% of its annual NPAT in dividends, and for the current year this delivered total dividends to shareholders of 28.5 cents fully franked, comprising the interim dividend of 12.5 cents and the final dividend announced in August 2025 of 16.0 cents, representing an increase of 27% compared to pcp.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Strategy & Acquisitions

Codan's strategy of investing in ourselves, strengthening our core businesses through sustained engineering investment in innovation and product development to maintain our competitive position across all segments, remains core to Codan's success, and we have a pipeline of new product development projects under way in each of Minelab, DTC and Zetron.

We have been clear that where we identify acquisition opportunities that allow us to expand our addressable markets, or cost effectively accelerate differentiated product development, or fill technology gaps or that provide complementary technologies and capabilities, we will continue to pursue these opportunities where we believe the outcome will be accretive for shareholders. Our interest remains primarily on inorganic opportunities for our Communications business, with a heightened focus on the military, law enforcement and unmanned markets. We successfully completed the Kägwerks acquisition during FY25 in line with our strategy, which expanded our relevance in the U.S. defence eco-system and enabled access to the funded Nett Warrior Program of Record. We incurred significant pursuit costs on other acquisition opportunities that did not proceed in FY25 for various reasons, and we will continue to act in a disciplined manner as we move into FY26.

With net debt at $78.3 million at 30 June 2025, we have a low debt to EBITDA ratio at 0.4 times coupled with recently renewed banking facilities of $250 million (plus $150 million accordion capacity, subject to approval), that provides us with the financial flexibility to pursue on-strategy acquisition opportunities as they are identified.

Our track record of successfully acquiring and integrating businesses into Codan is a competitive advantage and provides us with confidence we can continue to create value for shareholders through inorganic growth. This is evidenced by the financial performance under Codan's ownership of the seven acquisitions we have completed over the past four years, which continued to improve during FY25. We now estimate, based on current performance, the effective acquisition multiple, in aggregate, for these seven acquired businesses is now approximately below a three times EBITDA multiple. This reflects the profitable growth being delivered under Codan's ownership.

The third pillar of our strategy to diversify earnings and create value through the allocation of capital to the inorganic growth of the Communications business has therefore worked well to date, and remains an important focus for FY26.

Shareholder Returns

FY25 has been an excellent year for Codan shareholders, with EPS growing by 27% and dividends per share also growing by 27%, compared to pcp. In addition, Codan's share price increased approximately 67% to $20.11 at 30 June 2025, compared to $12.03 at 30 June 2024.

Whilst the share price itself is outside our direct control, we know that Codan's financial performance and outlook does influence our share price and in FY25 we have successfully improved the quality of Codan's earnings and delivered significant profitable growth across each of our businesses.

"Our track record of successfully acquiring and integrating businesses into Codan is a competitive advantage and provides us with confidence we can continue to create value for shareholders through inorganic growth."

We are particularly pleased with the growth we have achieved in revenues generated from defence and defence-related customers, which now comprises 38% of FY25 Communications' revenues. Our focus on growing the defence electronics segment of our business will continue in FY26.

Our strategy and target addressable markets for each of our businesses, how these businesses are performing and how each is positioned for growth into the future, are becoming better understood by the investment community, although we acknowledge we have further work to do with this aspect. We are pleased with the revenue and profitability growth achieved by each of our businesses in FY25 and we are confident that by continuing to successfully execute the Codan strategy we will deliver on our revenue and earnings growth targets, and that shareholder returns will continue to increase.

Executive Remuneration

The remuneration structure and outcomes for FY25 are set out in detail in the remuneration report. In this letter last year, I flagged that we would be considering changes to remuneration to motivate the executive team to achieve superior performance aligned to shareholder returns. Therefore, it is worth noting that during FY25 we introduced an equity-based superior performance incentive scheme for our CEO and executive team that further aligns their remuneration to shareholder outcomes, which requires three-year compound annual growth in EPS of greater than 21% at the top end of the range. We see close alignment of executive reward with shareholders' returns as an important principle that will continue to guide how we structure executive remuneration.

Codan's People

These outstanding FY25 results could not have been achieved without the contribution, expertise and effort of our people across the globe, for which I thank them on behalf of shareholders. Under Alf's leadership we are building a resilient, long-term culture that reflects Codan's values of a commitment to excellence, continuous improvement and customer trust and satisfaction, as we believe this will benefit Codan's stakeholders over the long term.

In particular, on behalf of Codan's board, I thank Alf for his leadership of Codan's high calibre executive team, for the clarity we now have to implement Codan's strategy to focus on large, valuable, addressable market opportunities that position us for significant future growth and value creation.

Thank You for your Support

We appreciate your support as shareholders of Codan. We acknowledge that you have a choice of which companies you invest in, and we therefore thank you for being shareholders in Codan. Your Board and executive leadership team is committed to accretively and sustainably growing returns for shareholders, which we will deliver by successfully executing on Codan's strategy. We look forward to providing a trading update at our FY25 AGM in October.

Graeme Barclay
Chair

CEO'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to report that Codan Limited delivered a strong performance in the 2025 financial year. In a period marked by global uncertainty and rapid industry change, Codan achieved strong results, underpinned by strategic focus and disciplined execution. Group revenue reached $674.2 million, a 22% increase over the prior year, with earnings before interest and tax of $146.0 million (up 28%) and net profit after tax of $103.5 million (up 27%). These strong financial outcomes were supported by robust cash generation, which enabled a $45.8 million reduction in net debt during the second half of the financial year, bringing net debt to $78.3 million as at 30 June 2025. Earnings per share rose to 57.1 cents and the Board declared a full-year dividend of 28.5 cents, up 27% on FY24, reflecting our confidence in the company's trajectory and our commitment to rewarding shareholders.

This result is particularly pleasing given the mixed global operating environment. In this face of geopolitical uncertainty and cautious consumer sentiment, our teams executed with focus and agility. The result is a testament to Codan's resilience and the strength of our strategy, as we navigated the year's challenges while delivering growth and improving profitability.

Our Communications segment, which includes DTC (formerly Tactical Communications) and Zetron, achieved revenue of $413.5 million, up 26% from the prior year, driven by 19% organic growth and the contribution from Kägwerks. Segment profit increased to $107.9 million, with margins expanding to 27% (excluding Kägwerks), a result of effective operating leverage as the business continues to scale. Notably, revenue from defence customers now represents 38% of total Communications revenue. DTC delivered exceptional results, particularly in the unmanned systems, where it generated approximately $100 million in revenue during the year.

Zetron performed well outside the United States, delivering solid growth across Europe and Asia Pacific, and secured several large multi-year contracts, and within the US, they recently secured a $19 million agreement with a major U.S. utility.

In December 2024, Codan acquired Kägwerks, a U.S.-based leader in soldier-worn communications systems. Its lightweight DOCK platform integrates multiple tactical technologies into a single, user-friendly solution, strengthening our position in the global military communications market. The acquisition expands our presence in the U.S. defence ecosystem and provides access to the funded Nett Warrior Program of Record. In its first seven months under Codan ownership, Kägwerks contributed approximately $24 million in revenue, in line with our expectations. While revenue timing is dependent on the Nett Warrior Program, integration is progressing well. We have broadened Kägwerks' sales teams and are actively pursuing opportunities to expand into DTC's wider North American customer base and international markets.

CEO'S REPORT

"In a period marked by global uncertainty and rapid industry change, Codan achieved strong results, underpinned by strategic focus and disciplined execution."

Minelab delivered revenue of $254.8 million, up 16% on the prior year. Segment profit rose 26% to $98.2 million, with margins improving to 39%, supported by favourable product mix and scale benefits. Minelab Africa delivered strong growth, with revenue up 64% year-on-year to approximately $115 million, supported by broad-based demand across the region. Minelab's Rest of World business maintained revenues versus prior corresponding period - a solid outcome given ongoing consumer headwinds. This performance reflects the strength of our brand, an expanding distribution network, and continued investment in retail and e-commerce growth. While Countermine sales moderated due to reduced U.S. humanitarian aid, we are repositioning this business toward military applications where demand is growing. Incremental growth in FY26 is expected to be supported by four product releases, including the Gold Monster 2000.

Codan's approach to acquisitions is accordingly measured and strategic: we target businesses that can sustain or improve our margins, offer synergies in technology or market access, and provide more recurring or long-term program revenue. In FY25, we incurred approximately $5 million of non-recurring due diligence costs, including for Kägwerks and other opportunities that were evaluated but not pursued because they did not meet our acquisition criteria. This disciplined approach to capital allocation protects shareholder value and ensures that any acquisition we undertake strengthens Codan for the long term. In parallel with M&A, we invested in internal systems and processes to support our expanded group. Following the series of acquisitions in recent years (including DTC, Zetron, Broadcast Wireless Systems, Zetron UK (formerly Eagle NewCo), Geoconex, Wave Central, and now Kägwerks), a major focus has been on integrating these entities into one Codan, with unified core systems that will enable future scalability. During the year we allocated resources to IT infrastructure, enterprise resource planning (ERP) enhancements, and process improvements to streamline operations across geographies. These investments, while impacting short-term overhead, are laying a strong foundation for efficient growth and agility as we scale to a larger, more global company.

Over the past year, Codan has continued to embed its Environment, Social, and Governance (ESG) Framework across the organisation, reinforcing our commitment to sustainable and responsible growth. We made meaningful progress on our climate goals, including preparation for Australia's mandatory climate-related disclosure regime commencing in FY26. In partnership with Adelaide-based consultancy 2XE, we implemented emissions tracking software to improve the accuracy and scalability of our carbon reporting. Codan was also proud to receive a Green Industries SA AIM Grant to assist with our efforts in circular economy innovation and carbon footprint reduction. Under the Social pillar, we deepened our community investment through long-term partnerships with Yalari and expanded support for STEM education via scholarships and mentoring programs for under-represented groups. We also strengthened our engagement in the regions where we operate, becoming members of the Committee for Adelaide and the American Chamber of Commerce in Australia. These initiatives reflect our ongoing commitment to creating a more inclusive, resilient business and delivering long-term value for all stakeholders.

Looking ahead, Codan enters the 2026 financial year with confidence and optimism, albeit clear-eyed about the broader economic and geopolitical context. In Communications, we normally target 10–15% annual revenue growth. For FY26, with approximately $155 million already secured in the order book, increased defence spending, growth in unmanned systems, and the first full-year contribution from Kägwerks, we are positioned to deliver 15–20% growth. We also anticipate further operating leverage improvements as we scale, progressing toward our goal to achieve 30% Communications segment profit margin by the end of FY27. Minelab also has an exciting year ahead, with the launch of new detectors expected to drive incremental growth opportunities across key markets.

CEO'S REPORT

Across the Group, Codan's balance sheet is strong, and our culture of disciplined capital allocation remains unchanged. We will invest where we see compelling returns – whether in R&D, market development, or acquisitions – and we will rigorously evaluate opportunities against our strategic objectives. With net debt at a comfortable level and expanded credit lines secured, we have the capacity to pursue inorganic growth to supplement our healthy organic trajectory. Our primary focus for M&A will continue to be the Communications segment, aiming to deepen our technological capabilities or extend our customer reach, while ensuring any deal drives long-term earnings accretion.

In closing, I want to emphasise that Codan's FY25 achievements position us exceptionally well for the future. Since my appointment, a key focus has been strengthening our leadership team to ensure we have the capability and capacity to deliver on our ambitions. We have appointed a new EGM leading Strategy and Corporate Development, a Chief Human Resources Officer, and most recently welcomed Pieter Guichelaar as Chief Operating Officer. These additions bring deep expertise and fresh perspectives, complementing an already highly capable team.

We have a clear strategy, strong market tailwinds in core areas, and a team that has proven its ability to execute and adapt. Our company's 66-year history has taught us the importance of innovation, customer trust, and resilience – these qualities remain at the heart of Codan. I am confident that by building on the successes of this past year, we will continue to deliver growth and create value in FY26 and beyond. The current industry trends – from heightened defence spending to the gold sector's dynamism and increased public safety investment – provide a favourable environment, but it is our unyielding focus on our customers and our continuous improvement mindset that truly differentiates Codan.

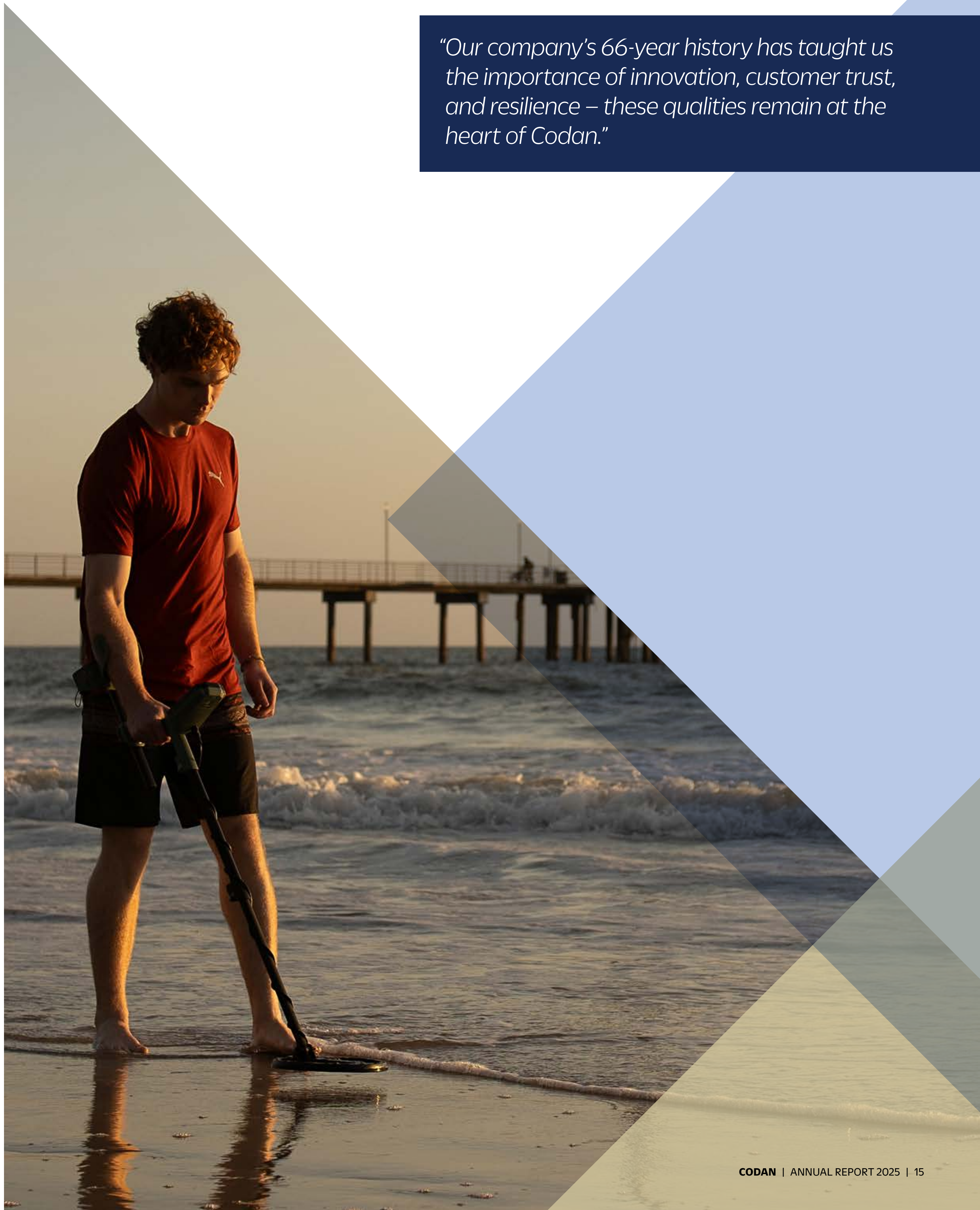
On behalf of the Board and the leadership team, I extend my sincere gratitude to our employees for their hard work and ingenuity, to our shareholders for your continued support, and to our many stakeholders for your confidence in Codan. We are committed to transparency and accountability in all we do – you should expect nothing less from us. I look forward to updating you on our progress as we embark on another exciting year. Together, we will strive to make FY26 another successful chapter in the Codan story, as we continue building a stronger Codan and delivering on our promise of long-term value creation.

Thank you for your trust and support.

Sincerely,

Alf Ianniello
Managing Director & Chief Executive Officer
Codan Limited

"Our company's 66-year history has taught us the importance of innovation, customer trust, and resilience – these qualities remain at the heart of Codan."



METAL DETECTION

Company Overview

Minelab is the global authority in high-performance metal detection, trusted by those seeking valuable targets beneath the surface. Our technologies support coin and treasure discovery, gold prospecting, and critical threat detection in both humanitarian and military operations. Our reputation is built on relentless innovation, led by a world-class engineering team and a sustained investment in product development, design, and manufacturing precision.

With operational hubs across numerous countries and a team shaped by global experience, we are united by a singular purpose: to deliver innovative technology and exceptional support to detectorists around the world.

Our detectors are developed to exceed expectations and deliver results for all experience levels. The excitement of an early discovery often marks the beginning of a lifelong pursuit. Experienced detectorists count on tools that enable them to explore new ground and drive greater depth for high-value targets. Our coin and treasure portfolio is engineered to perform across this spectrum. In gold prospecting, continual technology enhancements lead to higher yields, helping improve livelihoods and drive meaningful change in communities. In conflict-affected areas, our systems support humanitarian and military teams working to locate and remove landmines, unexploded ordnance, and improvised explosive devices. The goal is clear: to help create safer conditions for operators and communities alike.

FY25 Summary

- Established a Global Marketing organisation, allowing for the delivery of consistent branding across all regions and streamlining workflows to optimise output.
- Implemented numerous Marketing Technologies/ CRM capabilities, allowing for enhanced communication and messaging across all regions.
- Continued increase in Gold detector sales across African markets.
- Sustained a series of consumer events aimed at growing a highly engaged community and deepening brand connections.
- Expanded our presence within the Asia Pacific Region, with all markets seeing double digit growth over prior year.
- Launched the VOYAGER and INTREPID expanded range of products in select regions, augmenting our market position.
- Strengthened retail presence in North America, Europe, and Australia.
- Drove rapid growth on key e-commerce proprietary and marketplace platforms across several geographies.

FY26 Strategic Objectives

- Accelerating the expansion of our product portfolio and retail footprint across key physical and digital storefronts throughout North America and Europe.
- Maximising commercial momentum through targeted growth initiatives in both marketplace and proprietary e-commerce channels.
- Advancing a strategically curated pipeline of new product innovations designed to reinforce and differentiate our offerings across the Rest of the World, Africa, and Countermine markets.
- Maintaining a sharp focus on unlocking new territory potential and expanding operational reach across all high-priority markets.
- Evolving our commercial systems to deliver a more seamless, high-impact experience for both channel partners and end-users through enhanced operational efficiency and engagement.
- Introducing GOLD MONSTER 2000: Underpinned by Multi-Au Technology, Minelab's new hybrid detection engine combines the sensitivity of VLF with the ground-condition versatility of Pulse Induction for effective performance across diverse soil types.
- Unveiling the REALM app, allowing better communication with our customers in a more centralised and consistent manner.
- Relaunching the global Minelab website to align with an improved customer experience.
- Rolling out new products across our portfolio to expand our global presence.
- Continuing to grow Global Marketing capabilities by internalising strategic content creation activities.

METAL DETECTION

Rest of World

Momentum is building across Rest of World markets, driven by the arrival of the GOLD MONSTER 2000 and stronger digital marketing performance. Focus remains on delivering a premium experience for detectorists and strengthening engagement through integrated support for both users and sales partners.

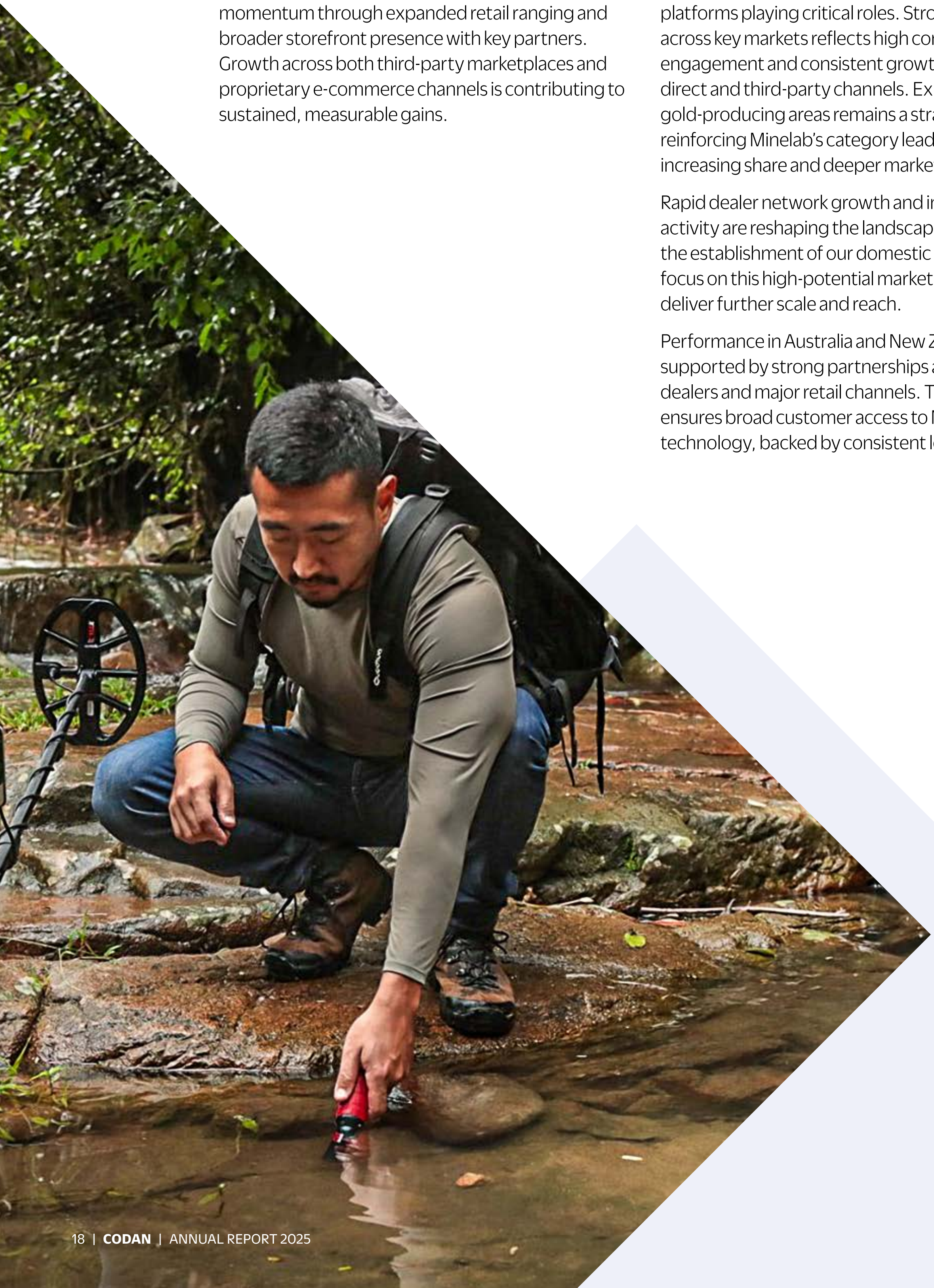
North America continues to show strong momentum through expanded retail ranging and broader storefront presence with key partners. Growth across both third-party marketplaces and proprietary e-commerce channels is contributing to sustained, measurable gains.

Across Europe, share growth is being driven by coordinated efforts in both digital and physical retail environments. Dealer collaboration, rising brand visibility, and new product introductions are helping to unlock further market opportunities.

Significant growth velocity in LATAM has been underpinned by sustained investment in digital channels, with both marketplace and proprietary platforms playing critical roles. Strong performance across key markets reflects high consumer engagement and consistent growth through both direct and third-party channels. Expansion into gold-producing areas remains a strategic priority, reinforcing Minelab's category leadership through increasing share and deeper market reach.

Rapid dealer network growth and increased digital activity are reshaping the landscape in India following the establishment of our domestic entity. Continued focus on this high-potential market is expected to deliver further scale and reach.

Performance in Australia and New Zealand is being supported by strong partnerships across traditional dealers and major retail channels. This approach ensures broad customer access to Minelab's technology, backed by consistent local support.



Africa

Our long-term commitment to gold detection continues to deliver significant results across Africa. A major new market opened in Zambia, and detecting is increasingly becoming a primary income source for local communities. We continue to invest in market development and dealer engagement.

West Africa remains one of Minelab's strongest-performing regions, where years of in-field development, collaboration with mining communities, and close partnerships with local dealers have helped establish market dominance. Today, Minelab holds a commanding market share across many parts of the region, with a reputation built on product reliability, trusted service, and consistent support on the ground. Growth opportunities remain as new countries open and artisanal mining continues to expand. In parallel, Minelab is building momentum in the coin and treasure segment, particularly in the coastal countries of north-west Africa. Recent efforts to sponsor rallies and support detecting communities have helped spark greater interest in recreational detecting across both Africa and the Middle East. These investments are laying the foundation for a growing detectorist network and generating long-term brand growth across the region.

Countermine

Minelab's Countermine detectors are precision-engineered tools built to locate landmines, unexploded ordnance, improvised explosive devices, and other explosive remnants of war. The range includes advanced dual-sensor systems that integrate metal detection with ground penetrating radar, alongside single-sensor technologies tailored for specific threat environments.

Our longstanding relationships with humanitarian demining organisations and military partners are built on trust, field-proven reliability, and responsive support. We take pride in the role our people and technology play in advancing global efforts to reduce harm, restore access to land, and create safer conditions in areas of conflict.

COMMUNICATIONS

Codan Communications, comprising Zetron and DTC (formerly Tactical Communications), continues to deliver mission-critical solutions to global defence, security, and public safety markets. Serving customers in more than 150 countries, Codan leverages its deep engineering expertise and proven integration capability to address complex communication challenges. With a legacy spanning over 65 years, the business has built enduring trust through technology that is innovative, interoperable, and reliable, driving high levels of customer satisfaction and reinforcing Codan's position as a leader in secure, dependable communications worldwide.

FY25 Summary

Zetron:

- Delivered strong growth in EMEA and APAC, with success in securing larger systems and services opportunities.
- Completed the integration of GeoConex (North America) and Eagle Newco (UK), enhancing scale and regional presence.
- Secured major long-term contracts, including:
  - 10-year, $13m nationwide public safety voice console contract (APAC).
  - 10-year, $20m contract with a leading U.S. East Coast utility servicing 3.3m customers.
- Advanced innovation, with the latest ACOM release powering Australia's first fully MCX-capable railway communications network.
- Expanded customer support, launching a 24/7 managed services function via the Network Operations Center acquired with GeoConex.

DTC:

- Exceptionally strong DTC performance, underpinned by rising global defence expenditure and continued momentum in law enforcement.
- Unmanned systems growth, delivering ~$100m revenue in FY25 - more than double the prior year.
- Acquired Kägwerks, strengthening Codan's position in the U.S. defence ecosystem, expanding access to the Nett Warrior Program of Record, and contributing $24m revenue in 7 months of ownership.
- Military market expansion through key tier 1 customers in Europe and US.
- Invested in the US front-end capabilities to accelerate growth across priority markets.

FY26 Objectives

Zetron:

- Focus on expanding market share within the public safety sector and increasing customer spend within existing accounts.
- Launch end-to-end services-based emergency response platform (call intake > triage > coordination > response).
- Introduce next-gen CAD solution in the UK, complementing Zetron's leading ICCS offering.
- Establish Customer Success team to enhance value delivery and post-sale engagement globally.

DTC:

- First release of the multi-waveform radio solution in H2 FY26 (Trellisware partnership).
- Integrate Kägwerks into DTC portfolio, enhancing soldier systems and connected edge capabilities.
- Continued investment in next generation waveforms and product offerings.
- Leveraging key partnerships with a US Government laboratory to develop cutting-edge multi-waveform solution.

DTC

Domo Tactical Communications (**DTC**), a Codan company, is a global leader in secure, mission-critical communications. With operations spanning the UK, US, and Australia, DTC delivers cutting-edge solutions across military, unmanned systems, law enforcement, broadcast, and commercial markets. Trusted by elite forces and agencies worldwide, our technologies enable operational superiority in the most complex environments — on land, at sea, and in the air.

Throughout the financial year, DTC continued its trajectory of strategic growth and innovation. The acquisition of US-based Kägwerks expanded our capability set in soldier systems integration, accelerating our position in the dismounted communications market. Our latest software-defined radio, the BluSDR-90, builds on the success of the original BluSDR™, offering extended range and performance in contested radio frequency environments. DTC also introduced Vidar, a versatile streaming and tracking platform, broadening our integrated ISR offering and reinforcing our role as a trusted partner across tactical and broadcast operations.

With a portfolio engineered for reliability and resilience, DTC is uniquely positioned to meet the demands of tomorrow's exacting requirements. We continue to invest in technologies that enhance survivability, connectivity, and decision-making.

COMMUNICATIONS

Zetron

Zetron's mission remains steadfast in providing communications solutions that help save lives and enable critical operations in Public Safety, Utilities, Transportation, and other industries where uninterrupted, always ready, always on communications are non-negotiable.

In FY25, Zetron delivered revenue and contribution growth of approximately 6% over the prior year. A slowdown in North America, influenced by broader economic and political factors, tempered overall performance; however, operational efficiencies and solid demand in selected international markets maintained positive momentum.

Key organizational priorities were achieved including full integration of the previously acquired GeoConex (North America) and Eagle Newco (UK) businesses, enabling new internal and go-to-market operational efficiencies and scale with the previously disparate businesses now operating seamlessly as part of Zetron. Zetron also signed and implemented a new distribution agreement with Eastern Communications (USA) for Zetron's core command and control solutions portfolio, enabling Zetron to more efficiently scale and support its North American channel business.

Zetron experienced strong international business growth in FY25, highlighted by multiple large public safety and transportation wins, including a 10-year $14m nationwide public safety ACOM system contract won just off the coast of Australia, a $2.6m ACOM sale to the largest (fleet size) airline in the UK, a $2.3m CallTouch order for a major railway artery in the UK connecting London to South Wales, and a $1.3m ACOM system to the world's fourth largest urban fire and rescue services agency and the busiest in Australia.

While international growth was paramount to a successful year, in North America Zetron completed several major system cutovers—among them a US$11.2 million ACOM implementation at a leading Atlanta-based airline, a US$3.8 million county-wide MAX Call Taking rollout in New Jersey and a US$2.0 million ACOM deployment for Canada's largest airport authority. Its statewide NG9-1-1 shared-services programme now supports more than 80% of Iowa's public-safety answering points. Early in FY26 Zetron secured a 10-year, US$19 million contract with a large utility on the US East Coast, servicing 3.3 million customers.

Zetron also celebrated an exciting year of advancement in its product and services portfolio. The latest release of ACOM fulfills the promise made the previous year when awarded the Mission Critical – Push to Talk (MCPTT) audio, data, and video communications system for Public Transport Authority of Western Australia (PTA), to become the first fully MCX-capable railway communications network in Australia. This release makes ACOM the first fully integrated 3GPP MCX telephony/wireless dispatch solution in the world and the first product realization of the new Zetron SALUS platform. On the LMR side, Zetron introduced the innovative new MT-5 Site Manager, which will soon consolidate all legacy controllers into a single, software-defined configuration management solution.

In FY25, Zetron also introduced Stream (acquired in Eagle Newco) to the North American market, where it's been met with enthusiasm by partners and end users in all primary target verticals, supporting a strong pipeline for FY26. Another new recurring revenue opportunity launched in FY25 was Zetron Managed Care, including services delivered through the Network Operations Center (NOC) acquired as part of GeoConex. Zetron has since invested in building the NOC into a full service 24x7x365 customer services delivery and support function. Zetron also signed a new global partnership agreement with Exacom, strengthening, broadening and scaling the company's recording, cybersecurity and services capabilities for critical communications centers.

Zetron took critical steps forward in FY25 in the research and development of its new SALUS technology platform. In future years SALUS will provide Zetron command and control customers with cloud-native communications capabilities, it will give them freedom to adopt or transition to cloud, on-premise or hybrid technology delivery at their own pace and based on their own needs. SALUS will offer Zetron customers more choice, interoperability and flexibility.

Finally, engrained deeply in the DNA and culture of Zetron is the mission to help communities and people, and Zetron employees answered that bell in FY25 as well. Generating over $200k in charitable donations and volunteering thousands of hours in support of causes around the world, Zetron made positive contributions to communities in every geography the company maintains operations. For example, when Hurricane Helene devastated parts of North Carolina and Virginia (USA), destroying homes, businesses, and claiming many lives, it crippled emergency communications, complicating rescue and recovery efforts. This included Madison County, a rural area of North Carolina where a new countywide Zetron LMR network had recently been deployed. Zetron and its employees were quick to action, sending LMR equipment and transportable repeaters to provide temporary communications for first responders while their existing systems were down, sending engineers to the county by car (flights were halted) to assess the damage to the county's radio sites, accelerating efforts to restore communications, and launching a donation drive, sending household supplies, personal care items, and non-perishable food to the county. Zetron strives to be invested in the communities it serves, recognizing the long-term value of building relationships that transcend technology.

ENVIRONMENT, SOCIAL & GOVERNANCE REPORT

CEO's Statement

Codan's purpose is to create long-term value through innovation, reliability, and responsible business practices. As a global technology company, we remain committed to operating in a way that drives commercial success and delivers positive outcomes for our people, communities, and the planet. This ESG Report outlines the progress we have made across key areas in FY25, as we continue to integrate "sustainability" into every aspect of our operations.

This year we expanded our community engagement, investing in programs that promote education, inclusion, and opportunity. Most notably, our support of Yalari is enabling Indigenous students to access quality education and life-changing experiences. We continue to inspire the next generation of STEM leaders through ongoing support of industry based and academic programs. Codan also became a member of the Committee for Adelaide and the American Chamber of Commerce in Australia, strengthening our ties with the communities and markets in which we operate.

We took meaningful steps to prepare for the mandatory climate-related disclosures that will commence in FY26 under the Australian Sustainability Reporting Standards. Our focus has been on establishing a robust system to capture data across Scope 1, 2, and 3 emissions. This provides the foundation for setting credible targets, as those must be based on reliable and consistent information. We are well advanced in this work, which represents a critical step towards setting and tracking future targets.

We partnered with Adelaide-based environmental consultancy 2XE to enhance our emissions tracking and scenario planning capabilities, including deployment of their carbon management software which will scale with our operations globally. A highlight of FY25 was being awarded the Green Industries South Australia AIM Grant, which supports our efforts to embed circular economy principles into our product development and value chain strategy.

Building resilience and securing long-term success in a changing world requires a clear focus on climate, governance, and social responsibility. This year's ESG Report reflects Codan's progress and growing maturity in these areas. We remain committed to strengthening our foundations and preparing for the opportunities and challenges ahead.

Sincerely,

Alf Ianniello
Managing Director and CEO

ESG FRAMEWORK

ENVIRONMENT

Monitor global environmental footprint and continue preparation for mandatory climate reporting.

Ensure environmental systems are scalable in anticipation of future growth.

Support initiatives that create a positive environmental impact in our business operations and communities.

SOCIAL

Encourage, promote and develop all students, regardless of gender, age, family status, culture, ethnicity, or religion to pursue a career in STEM.

Target Community Programs that assist disadvantaged groups within the communities in which our business operates.

Empower and support a connected and high-performing workforce to deliver long term value creation.

GOVERNANCE

Remain committed to conducting business in an honest, ethical and accountable way and in accordance with our core values.

Uphold a strong governance program, including a Sustainability Council, dedicated to identifying and managing risks, issues and opportunities that are important to our business and stakeholders for long term value.

About this Report

This ESG Report seeks to provide information regarding the material aspects of Codan's sustainability practises across Codan and its controlled entities during the year ended 30 June 2025 (**FY25**). The ESG Report (**Report**) is published on 19 September 2025 and forms part of Codan's Annual Report.

This Report has been prepared in reference to the Global Reporting Initiative (**GRI**) Standards. For a full list of disclosures referenced in this report, please refer to the GRI Content Index available in the ESG Report at https://codan.com.au/who-is-codan/corporate-governance/. The information contained within this Report has been compiled with the contribution of various leaders across the business and has been approved by the Codan Board. Please note this Report has not been externally assured. We welcome any feedback and questions you may have on the information presented and encourage you to contact us at sustainability@codan.com.au.

List of Material Topics

Environment
Social – Our People
Social – Our Community
Governance – Corporate Governance Statement
Governance – Business Ethics / Behaviour
Governance – Our Supply Chain
Governance – Cyber Security
Governance – Tax

All data referenced in this report is in AUD unless otherwise specified.

ESG REPORT

ENVIRONMENT

Climate Change

Codan remains committed to doing its part to mitigate climate change and adapt to a changing world.

Codan supports the goals of the Paris Agreement to limit the global temperature rise this century to well below 2°C above pre-industrial levels and strive to limit this to 1.5°C. These goals require a collective effort across all sectors and economies to rapidly reduce greenhouse gas emissions. This calls for a diligent approach to understand the company's emissions profile and the actions required to reduce emissions.

Codan is also building its understanding of the climate-related risks and opportunities that may impact Codan's business model and value chain in the short, medium and long term. This assessment will help inform Codan's strategic decision-making and planning and reinforce Codan's resilience to the developments and uncertainties of a rapidly changing world.

Codan's Approach to Climate-Related Disclosures

Codan has provided voluntary climate-related disclosures in alignment with the Taskforce for Climate Related Financial Disclosures (**TCFD**) Recommendations since FY23 and followed a TCFD Roadmap to progressively mature its approach. In FY25, Codan has evolved this reporting approach towards the more detailed requirements of the Australian Sustainability Reporting Standard for climate-related disclosures (**AASB S2**).

Codan plans to publish its first mandatory report under AASB S2 for FY26. In preparation for this new reporting regime, in FY25 Codan has taken the following steps:

- Completed a gap analysis for Codan's readiness to report under AASB S2.
- Completed a climate-related risks and opportunities assessment and prepared a provisional list for further analysis.
- Reviewed Codan's overall risk management processes and identified options for integrating processes for climate-related risks and opportunities.
- Established new processes for the collection of Scope 1, 2 and 3 emissions data.
- Initiated a project to analyse embodied carbon across Codan's product range and identify opportunities to decarbonise Codan's value chain through circular economy initiatives.
- Continued to engage with key suppliers on climate adaptation and decarbonisation.

More information about these steps is provided in the sections below on: Governance, Strategy, Risk management and Emissions Profile.

During FY26, Codan will assess its climate resilience using climate scenario analysis and investigate the financial effects of relevant climate-related risks and opportunities. In addition Codan will continue to improve its data collection processes for greenhouse gas emissions.

These steps will enable Codan to determine the materiality of climate-related risks and opportunities, inform Codan's strategic and risk management response and assist in the development of a transition plan.

Governance

Codan is committed to responsible and effective governance, which promotes the integrity and efficiency of the business and maximises shareholder value. In accordance with the Governance pillar of Codan's ESG Framework, we aim to uphold a strong governance program including the utilisation of a Sustainability Council. Codan is dedicated to identifying and managing risks, issues and opportunities that are important to our business and stakeholders, which will assist in creating long term value.

Board Oversight

The Codan Board has overall responsibility for the oversight of group risks and opportunities, including sustainability and climate related issues. The Audit and Risk Committee (**ARC**) oversees the development and monitoring of risk management policies implemented by management. The Board has delegated authority to the ARC in respect of sustainability and climate-related risks. The ARC reports regularly to the Board on its activities.

The ARC assists the Board in its oversight of financial and non-financial risks including climate-related risks and other ESG factors. This responsibility is explicitly described in the ARC Charter. The ARC Charter also allocates responsibility to the ARC for reviewing and recommending to the Board any reporting to shareholders on matters considered material, including reporting on any material information about climate-related risks.

Quarterly updates are provided to the Board by the General Counsel and Joint Company Secretary on all ESG initiatives, with a focus on climate related actions. In FY25, these updates have also kept the Board informed of Codan's progress to prepare for compliance with the new requirement of the AASB S2.

In addition to quarterly updates, Codan's board management software has a specific channel to keep the Board informed of ESG and climate-related news on an ongoing basis.

Management

Management is responsible for the implementation of Codan's group risk management policies and procedures, including the implementation of Codan's ESG Framework and the recommendations of the Sustainability Council.

In accordance with its Terms of Reference, the Sustainability Council is expressly tasked with considering the physical risks of climate change for Codan's businesses, as well as the risks and opportunities that may be material for Codan as the world transitions to a low carbon economy. Additionally, the Sustainability Council is committed to achieving a high standard of environmental performance and has oversight of the policies and operational controls of environmental, health and safety, and social risks.

Members of the Sustainability Council include Codan's General Counsel and Joint Company Secretary and its Chief Human Resources Officer (**CHRO**). The council is appropriately represented from all parts of the global business, with members from Codan's facilities and supply chain function along with management representatives from DTC, Zetron and Minelab.

As outlined in its Terms of Reference, the Sustainability Council is on track to conduct four formal meetings each year and the meetings for FY25 were all well attended.

The CHRO is the executive representative on the Sustainability Council. The CHRO reports any material ESG and climate related issues to the executive team. The General Counsel is the chair of the Sustainability Council and reports directly to the CEO and CFO on all ESG matters.

ESG REPORT **ENVIRONMENT**

Strategy

Codan's strategy for managing climate-related risks and opportunities is guided by Codan's primary focus on strengthening the business to achieve sustainable, profitable growth for the future. Adaptability, agility and diversification are central elements of Codan's business model and provide the basis for Codan's resilience to climate-related changes, developments and uncertainties.

With a strategic commitment to sustained investment in innovation and product development to maintain its competitive position across all segments, Codan is proactively exploring the opportunities that may arise in a low-carbon economy. At the same time, Codan recognises the importance of understanding and managing its exposure to the physical impacts of climate change across Codan's operations and value chain, and to develop a meaningful and measurable plan to decarbonise.

Climate-Related Risks and Opportunities

Codan faces a range of risks and opportunities associated with the transition to a low carbon economy and the physical impacts of the changing climate.

In FY23, Codan undertook an initial assessment of climate-related risks and opportunities relevant for Codan's business, starting with a focus on contract manufacturing. In FY24, Codan expanded these parameters to cover Codan's global operations and value chain. In FY25, Codan continued this analysis using an approach to identify climate-related risks and opportunities that will enable Codan to align with AASB S2.

Inputs

Codan used a range of internal and external sources of information as inputs for the identification of climate-related risks and opportunities. Internal data was sourced from Codan's prior work on climate-related risks, Codan's risk registers and experience of past climate-related events.

Interviews were conducted with key internal stakeholders in Minelab, Zetron and DTC to map their value chains and understand the key resources and relationships that each business unit depends on and/or impacts to generate cash flows. Stakeholders provided insights on potentially relevant climate-related risks and opportunities.

Codan also used external data from climate-related disclosures of peers and disclosure topics of relevant SASB Standards.

Time Horizons

The relevance of future effects of climate-related risks and opportunities was also considered, with reference to time horizons used by Codan for budgets, business cycles, product cycles and strategy horizons at business unit level and group level. Relevant time horizons were identified as 0-2 years for short term, 3-5 years for medium term and out to 2050 for long term.

Materiality Assessment

Codan's focus in FY25 was to complete a provisional assessment of climate-related risks and opportunities that could have potential financial impact in the short, medium and long term. Through the process described above, Codan developed a "provisional list" of climate-related risks and opportunities.

Codan engaged with its CFO to review this provisional list against the relevant requirements of AASB S2 in relation to the identification of climate-related risks and opportunities that could reasonably be expected to affect Codan's prospects and the requirement to identify and disclose material information in Codan's first mandatory report in FY26.

In FY26, Codan will deepen its understanding of the effects of these climate-related risks and opportunities and use scenario analysis to assess Codan's climate resilience. Findings from these steps will inform Codan's determination of the material information that must be disclosed in Codan's mandatory report in FY26.

The provisional list is summarised in the table on the following page.

Physical Risks

Risks associated with the physical impacts of climate change can be acute (arising from changes in the severity and frequency of weather events) or chronic (longer term shifts in climatic patterns such as rising sea levels). The physical impacts of climate change have the potential to damage Codan's physical assets, affect operations and disrupt Codan's upstream value chain. Codan's main exposure is in product manufacturing and component sourcing.

Transition Risks and Opportunities

Transition risks are those arising from policy, legal, technology, market and reputational changes associated with the transition to a low carbon economy, mitigation and adaptation to climate change. Policy and legal changes have the potential to increase Codan's operating expenditure through rising energy costs and carbon pricing. Codan's competitive position may be impacted by customer and stakeholder expectations of Codan's performance in reducing emissions and improving energy and resource efficiency.

Transition gives rise to opportunities for Codan to collaborate with its upstream value chain to improve efficiency across production processes and to innovate to reduce embodied carbon in Codan's products.

The provisional list of climate-related risks (**R**) and opportunities (**O**) is set out below.

Risk type	Risk summary	R/O	Potential impacts	Timeframe
Physical: **Acute and chronic**	*Physical climate hazards (severe weather, extreme heat, extreme rain/ flood, sea level rise, drought/water stress) impacting assets, operations, workforce and supply chain*	R	• Disruption and productivity loss in product manufacturing • Disruption to component sourcing	Short, medium and long term
Transition: **Policy and legal**	*Emerging regulation on emissions reduction and carbon pricing*	R	• Increased operating costs associated with manufacturing, transport, distribution • Increased supply chain costs	Medium and long term
Transition: **Policy and legal/ products and services**	*Emerging regulation on sustainable products (energy efficiency, durability, repairability, recyclability)*	R/O	• Increased operating costs associated with development, manufacturing and recycling of metal detection products	Medium and long term
Transition: **Reputation**	*Growing stakeholder interest in sustainability, emissions and energy efficiency performance*	R/O	• Reduced/increased revenue • Competitive position • Employee value proposition	Long term
Transition: **Market**	*Strengthening requirements in government procurement for emissions reduction*	R	• Increased operating costs • Higher capital costs for investment in low carbon solutions and offsets	Medium and long term
Transition: **Resilience**	*Agility and adaptability of business model*	O	• Competitive position • Business continuity and risk management	Short, medium and long term
Transition: **Resilience**	*Engagement with supply chain on emissions reduction and adaptation*	O	• Business continuity and risk management • Reduced emissions	Short, medium and long term
Transition: **Energy source**	*Increasing use of renewable energy sources*	O	• Decreased operating costs • Reduced emissions	Short, medium and long term
Transition: **Resource efficiency**	*Efficiency in manufacturing/ production and distribution*	O	• Decreased operating costs • Reduced emissions	Short, medium and long term

ESG REPORT **ENVIRONMENT**

Climate Resilience

Codan has significant capacity to adapt and be agile in response to major disruptions such as Covid-19. Redundancy, speed and resilience are built into Codan's operations. Codan's business model and strong supply chain relationships provide the foundations for resilience to the short and longer term uncertainties and challenges that may arise as the economy transitions and the climate continues to change.

In FY26, Codan will deepen this understanding of climate resilience through the use of scenario analysis to assess the effects of climate-related risks and opportunities over short, medium and long term time horizons and the implications of these scenarios for Codan's strategy and planning.

Scenario analysis under AASB S2 is a critical tool for identifying and assessing climate-related risks and opportunities that could reasonably be expected to affect Codan's financial prospects. By evaluating multiple plausible future climate scenarios, Codan can systematically consider the potential impacts on its business model, strategy, and financial position. This forward-looking approach supports the robust identification and disclosure of material climate-related information, ensuring compliance with AASB S2 requirements.

Engaging with Contract Manufacturers

Engaging to ensure a strong, sustainable supply chain is an important factor in Codan's resilience.

In FY23, Codan initiated the process of engagement with contract manufacturers on energy and resource efficiency, emissions reduction plans and adaptation of their sites to physical risks. Discussions have continued through FY24 and FY25 with Codan's two largest manufacturers, Venture Corporation Limited (**Venture**) and Plexus Corp. (**Plexus**).

Plexus is a member of the UN Global Compact and shares Codan's public commitment to building a better world through sustainable and responsible business practices. For FY24, Plexus reported a groupwide 6.4% reduction in Scope 1 and 2 GHG absolute emissions and a 13.7% waste to landfill intensity reduction from 2023 baselines. Plexus reports a target for FY25 to achieve absolute emissions equal to or less than the 2023 baseline and a 5% waste to landfill intensity reduction from 2024.

Plexus recognises the importance of establishing more sustainable production processes and partnering with customers like Codan to reduce the environmental impact of the customised manufacturing solutions Plexus deploys. Codan will continue to explore initiatives with Plexus including:

- integrating renewable, recycled and highly recyclable inputs into production processes;
- developing more sustainable packaging solutions and alternative transportation to reduce emissions; and
- use of Lifecycle Assessment (**LCA**) services to provide a baseline of a product's environmental impact and identify opportunities to reduce emissions for Codan.

Venture has also committed to minimise its environmental footprint by maximising efficiency of manufacturing operations and reducing emissions. For FY24, Venture reported a groupwide reduction of Scope 1 and 2 GHG absolute emissions of 24% from a 2022 baseline. Venture reports a Science Based Targets initiative (SBTi) aligned emissions reduction target of 42% in Scope 1 and 2 GHG emissions by 2030 from a 2022 baseline. Venture also reports group-wide targets to reduce water usage intensity across all sites.

Venture's solar panel installation in Penang contributed around 20% of site electricity consumption for FY24 and further installation has continued in 2025.

Operational efficiency is also central to Venture's decarbonisation journey. In 2024, Venture replaced older machinery with more energy-efficient models.

Other groupwide manufacturing initiatives include:

- implementation of Restriction of Hazardous Substances (RoHs) Directive with RoHs certified equipment in Codan's facilities;
- implementation of Ozone Depleting Substance (ODS) FREE Process Verification Scheme;
- control and management of emissions, noise and wastewater discharge in all Codan facilities;
- establishment of waste management systems and recycling programs;
- resource conservation programs on the use of water, power, paper and other materials in Codan manufacturing facilities and offices; and
- promulgation of Codan's Environmental Policy and its programmes.

Initiatives that were achieved by both Plexus and Venture in their FY24 included:

- ISO 14001 certification for sites manufacturing Codan's products; and
- no reported environmental related incidents.

Opportunities to Decarbonise through Circular Economy Initiatives

Codan is proactively exploring strategies that not only reduce emissions but also promote resource efficiency and sustainability throughout its operations and supply chain. In FY25, Codan resolved to undertake a project to analyse embodied carbon in its products and identify opportunities to decarbonise the value chain through circular economy initiatives. Project objectives are to:

- quantify and compare embodied carbon across Codan's diverse product range;
- identify common carbon hotspots and systemic opportunities for impact reduction;
- evaluate and prioritise circular economy interventions across product lines to improve sustainability performance and support Codan's transition planning; and
- support Codan's transition planning process by establishing a clear roadmap for decarbonising Codan's value chain through circular economy initiatives.

Work on the project will progress in FY26 and will be completed with assistance from the Green Initiatives South Australia Aim Grant discussed below. The project forms part of Codan's developing response to opportunities and risks in the global transition to a low carbon economy. Findings from the project can inform Codan's planning for resilience to future regulatory risks and changing stakeholder expectations.

Risk Management

Codan has an enterprise risk management framework based on the principles of ISO 31000. Codan intends to integrate climate-related risks and opportunities into the existing framework, with the recognition that integration is likely to involve a process of improvement over time and its approach must be proportionate.

Codan has been developing its governance of climate risks over several years. The Board and Sustainability Council are aware of climate-related issues and understand the concept of climate change. At executive and management level, there is accountability for climate-related issues across the legal, sustainability, finance and risk functions. Climate-related issues are reported to ARC/the Board on a regular basis.

Certain climate-related physical and transition risks are already addressed in the Codan Group Risk Register. These relate to business continuity, interruption of material supply, technology risk, reputation and policy risks. Controls include the ongoing review of Codan's Business Continuity Plan, continued investment in R&D, governance of ESG issues through the Sustainability Council and the ESG Framework and continued public reporting of Codan's sustainability performance.

In FY25, Codan completed a provisional assessment and prepared a provisional list of climate-related risks and opportunities as part of its preparations for mandatory reporting under AASB S2. Refer to the section above on "Strategy" for further details. The next step is for Codan to conduct scenario analysis to develop more detailed understanding of the effects of these risks and opportunities over short, medium and long term horizons.

In FY25, Codan also undertook a review of its risk management processes to identify ways to develop processes appropriate for climate-related risks and opportunities and options to integrate these processes into the overall risk management approach.

Codan will tackle this project in progressive phases, beginning with the following actions:

- Review risk categories and sub-categories in Codan's Risk Management Policy and Framework and consider amendments to address climate change.
- Amend Group Risk Register to address provisionally identified climate-related risks and opportunities, and trial adjustments to risk assessment and prioritisation metrics to respond to these particular climate-related issues.

In FY26, and beyond, Codan will continue to refine this approach using outputs from scenario analysis, financial quantification of climate-related risks and opportunities and the assessment of Codan's climate resilience.

ESG REPORT **ENVIRONMENT**

Green Industries South Australia Aim Grant

In June 2025, Codan was awarded an Assess Implement Monitor (**AIM**) grant from Green Industries South Australia (**GISA**) to support its Value Chain Sustainability and Circularity Assessment Project. The AIM program, part of GISA's Business Sustainability Program, assists South Australian businesses to accelerate sustainable change by filling information gaps and supporting investment in environmentally sustainable and circular practices.

The project, delivered by Adelaide-based sustainability consultancy 2XE, will conduct a high-level assessment of Codan's product value chain to identify embodied carbon emissions and opportunities for circular economy interventions. This includes evaluating materials, supply chains, logistics and end-of-life impacts across Codan's diverse product portfolio. Key outcomes will include hotspot identification, a register of circularity interventions, scenario modelling and a strategic roadmap to support Codan's transition planning. Codan will deliver the project in several phases over FY26, starting with data collection, followed by carbon profiling, circularity maturity assessments, scenario modelling and final reporting. Milestones will be tied to the completion of these stages, with the final deliverables including a centralised product data model, emissions summaries, circularity opportunity registers and an implementation roadmap.

The AIM grant directly supports Codan's ESG and climate disclosure strategy. With the first mandatory climate-related disclosures due in FY26 under AASB S2, the AIM grant enables Codan to strengthen its understanding of Scope 3 emissions, being those arising from upstream and downstream activities in its value chain. These emissions form the majority (over 95%) of Codan's total carbon footprint, and this assessment is expected to uncover new pathways for reduction, innovation and compliance.

Work under the AIM grant formally commenced in July 2025 and is scheduled for completion by November 2026. Codan will continue collaborating with 2XE and GISA throughout this period and intends to publicly report on the key non-sensitive findings, including the strategic roadmap and high-impact opportunities. These outputs will be a cornerstone of Codan's FY26 ESG reporting and broader decarbonisation journey.

Emissions Profile

Emissions Reporting Approach

The emissions reporting approach undertaken in FY25 is in line with the GHG Protocol Corporate Accounting and Reporting Standard 2004 (**GHG Protocol**), which is the basis for the Australian climate reporting guidelines. The GHG Protocol ensures relevance, completeness, consistency, transparency and accuracy by outlining how a company should:

- **Establish an organisational and operational boundary** (determine which businesses and assets within the organisation are to be included in the scope);
- **Set an emissions boundary** (determine which emissions sources from within the organisational boundary are relevant to the emissions profile);
- **Calculate emissions** (by selecting appropriate and available activity data, calculation methods, and emissions factors); and
- **Report assumptions** (to ensure transparency and allow validation of results).

In FY25, Codan introduced a Data Governance structure to streamline and enhance the data capture process as the business moved to an online software platform (**Recouple**) for the calculation of greenhouse gas (**GHG**) emissions.

Operational Boundary

Codan's FY25 GHG emissions inventory is being prepared in line with the operational control consolidation approach as per the GHG Protocol. Under the operational control approach, Codan will account for 100% of the emissions from operations over which it or one of its subsidiaries has 'the full authority to introduce and implement its operating policies' (see Table 1 below).

Codan adopts the operational control approach to ensure a clear and consistent attribution of GHG emissions aligned with its managerial influence and decision-making authority. This approach reflects Codan's ability to directly manage and implement operational policies that drive emissions outcomes, providing a more accurate and actionable emissions inventory.

Table 1: GHG Protocol Consolidation Approaches

Approach	Description
Operational Control	**Under the operational control approach, a company accounts for 100% of the emissions from operations over which it or one of its subsidiaries has operational control.**
Financial Control	Under the financial control approach, a company accounts for 100% of the emissions from operations over which it, or one of its subsidiaries, has financial control (i.e., >50%).
Equity Share	Under the equity share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation.

Emissions Boundary

Codan's emissions boundary was set using a relevancy test. Table 2 below summaries the differences between FY24 and FY25 emissions boundary and key changes in calculation methodology and or data sets.

Table 2: Codan Limited emissions boundary

Category	Included in FY24	Included in FY25	Notes and key changes
Scope 1 Stationary Fuel	Yes	Yes	LPG consumption excluded in FY24 due to data availability. Through data capture improvements in FY25, LPG has been able to be quantified and included.
Scope 1 Fleet Fuel	Yes	Yes	FY24 used all spend allocated to applicable internal general ledger (**GL**) code. This GL code captures both fuel purchases, vehicle repairs and maintenance and fuel reimbursements for staff owned vehicles. FY25, included the actual fuel volume (AU and US) and distance (UK) for Codan Fleet (owned/leased) vehicles only. All other costs have been allocated to C1 Purchased Goods and Services and C6 Business Travel.
Scope 1 Refrigerants	Yes	Yes	
Scope 2 Purchased Electricity	Yes	Yes	Increased level of site-based data used in FY25, with only 3 sites requiring estimation-based method.
Scope 3 C1 – Purchased goods and services	Yes	Yes	In FY24, only a small selection of GL spend was reported. In FY25 the full GL expense was used.

Continued next page >

ESG REPORT **ENVIRONMENT**

Category	Included in FY24	Included in FY25	Notes and key changes
Scope 3 C2 – Capital goods	Yes	Yes	FY24 data set utilised Codan's full capital asset value, not the additions/ transfers which occurred in FY24, therefore the associated emissions where significantly over estimated. Due to this large discrepancy, C2 has been re-calculated for FY24.
Scope 3 C3 – Fuel-related and energy-related activities	Yes	Yes	
Scope 3 C4 – Upstream transportation and distribution	Yes	Yes	
Scope 3 C5 – Waste generated in operations	Yes	Yes	FY24 extrapolated for the portfolio based on two AU facilities data which was significantly over estimated. In FY25, waste data has been collected from all available facilities, including the largest production sites in the portfolio. No extrapolation has been applied given waste emissions are relatively insignificant portion of overall Scope 3 emissions.
Scope 3 C6 – Business travel	Yes	Yes	
Scope 3 C7 – Employee commuting	Yes	Yes	
Scope 3 C8 – Upstream leased assets	Yes	No	In FY24, some overseas facilities related energy use was reported in this category which are not relevant for this category. In FY25, emissions from all upstream leased assets have already been reported under scope 1 and 2 emissions.
Scope 3 C9 – Downstream transportation and distribution	Yes	Yes	
Scope 3 C10 – Processing of sold products	Yes	No	In FY24, contract manufacturing operations was reported in this category. This category should only include emissions from the processing of products sold by Codan that require processing by a third party. This is not the case with contract manufacturing. Contract manufacturing is the purchasing of manufacturing services from contractors which should be captured under C1. In FY25, emissions from contract manufacturing have been reported under C1 Purchased Goods and Services.
Scope 3 C11 – Use of sold products	Yes	Yes	Due to complexity of products and data availability, DTC products have not been reported in FY25.
Scope 3 C12 – End-of-life treatment of sold products	Yes	Yes	Due to complexity of products and data availability, DTC products have not been reported in FY25.
Scope 3 C13 – Downstream leased assets	No	No	Codan does not operate any downstream leased assets. Therefore, Scope 3 Category 13 (Downstream leased assets) is not applicable.
Scope 3 C14 – Franchises	No	No	Codan does not operate under a franchise model and does not have any franchised operations. Therefore, Scope 3 Category 14 (Franchises) is not applicable.
Scope 3 C15 – Investments	No	No	Codan has no subsidiaries, affiliated companies or interests in any companies beyond the organisational boundary.

ESG REPORT **ENVIRONMENT**

Emissions Footprint

Codan's total emissions footprint for FY25 across Scope 1, 2 and 3 is **58,883tCO2-e**.

Figure 1: Breakdown of GHG emissions by scope

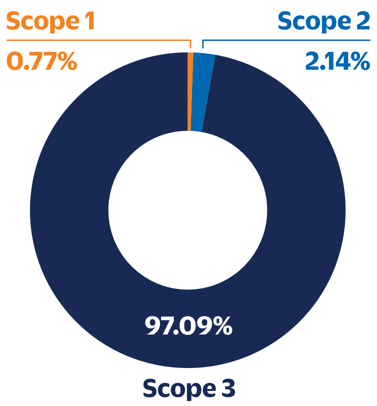
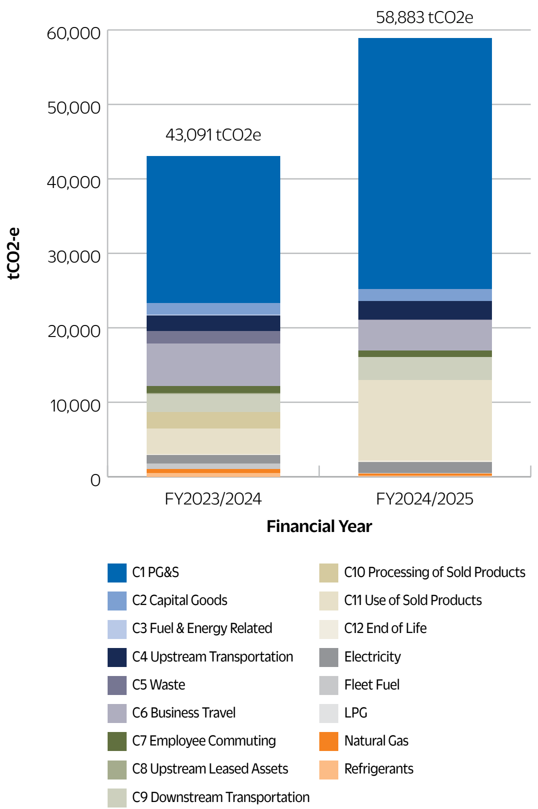


Table 3: Year on Year Total Emissions by scope

Emissions Scope	**FY2025**	FY2024
Scope 1	**456 tCO2-e**	1,489 tCO2-e
Scope 2	**1,261 tCO2-e**	1,038 tCO2-e
Scope 3	**57,166 tCO2-e**	40,564 tCO2-e
Total	**58,883 tCO2-e**	**43,091 tCO2-e**

Figure 2: Year on Year emissions breakdown by Category



Key Changes

Changes in reported scope 3 emissions are very common for businesses in early stages of their emissions reporting and management journey. See below for summary of key changes in each scope of emissions, as highlighted in Table 3.

In the FY24 Annual Report, Codan reported Total Emissions of 54,357 tCO2-e. This figure has since been revised to 43,091 tCO2-e, reflecting adjustments in Capital Goods expenditure and purchased goods and services as outlined in Scope 3 – Key Changes below. Due to time and resource constraints (primarily driven by preparations for mandatory FY26 reporting and the transition to the Recouple software platform) a full re-baseline of the FY24 GHG footprint has not been completed. Notably, FY24 has not been re-baselined for emissions associated with use of sold products. Where there have been changes in calculations to emissions between FY24 and FY25, the changes have been noted in this report.

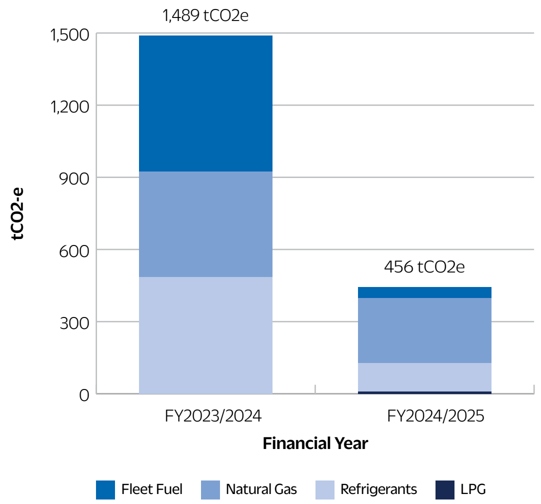
With each successive ESG report, Codan has enhanced the accuracy of its global carbon footprint assessment. The downside of the increased accuracy is that it makes year-on-year comparison of emissions difficult. It is expected that the adoption of the 2XE Recouple platform will enable more precise and consistent carbon accounting, which will facilitate more accurate year-on-year comparisons moving forward. However, as Codan's carbon accounting matures, we anticipate further refinements, including those driven by improved data quality and reduced reliance on estimation.

Scope 1 Emissions

Codan's FY25 Scope 1 emissions are **456tCO2-e**.

- Natural gas accounts for 270tCO2-e (59.21%)
- Refrigerants accounts for 128tCO2-e (28.07%)
- Fleet Fuel accounts for 45tCO2-e (9.87%)
- LPG accounts for 13tCO2-e (2.85%5%)

Figure 3: Scope 1 emissions by source



Key Changes

- Fleet Fuel - FY24 used all spend allocated to a specific accounting code. This accounting code captures both fuel purchases, vehicle repairs and maintenance and fuel reimbursements for staff owned vehicles. For FY25, the actual fuel volume (AU and US) and distance (UK) for Codan Fleet (owned/leased) vehicles only was included in the total amount. All other costs have been allocated to C1 Purchased Goods and Services and C6 Business Travel
- LPG consumption excluded in FY24 due to data availability. Through data capture improvements in FY25, LPG has been able to be quantified and included.
- Refrigerants – Significant decrease in refrigerant contribution. The high value in FY24 is understood to be attributed to a refrigerant leak which has been fixed and therefore a decrease in FY25 associated emissions.

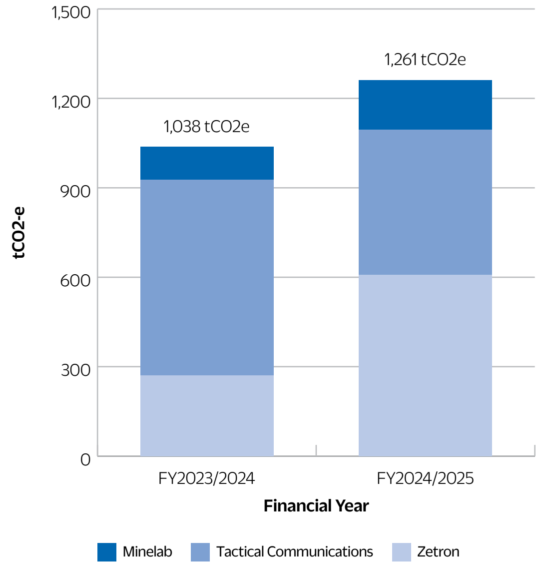
Calculation Methodology

Fuel – specific method - Fuel-specific emission calculations estimate emissions based on activity data that quantifies actual use whether that is volume, weight or distance. Each fuel source has a corresponding emissions factor specific to the vehicle type or 'stationary' use.

Scope 2 Emissions

Codan's FY25 across Scope 2 emissions are **1,261tCO2-e**. These emissions have been attributed to Codan's separate business units, though attribution is indicative only and further refinement of this attribution is necessary.

Figure 4: Scope 2 emissions by reporting group



Key Changes

Increased level of site-based data used in FY25, with only 3 sites requiring estimation-based method.

Calculation Methodology

Location based method was used where location-based emissions calculations estimate emissions from energy consumption based on the average emissions intensity of the energy network in a specific location or country. This method uses standard grid emission factors, reflecting the regional energy generation mix, without considering renewable energy purchases or supplier-specific factors.

ESG REPORT **ENVIRONMENT**

Scope 3 Emissions

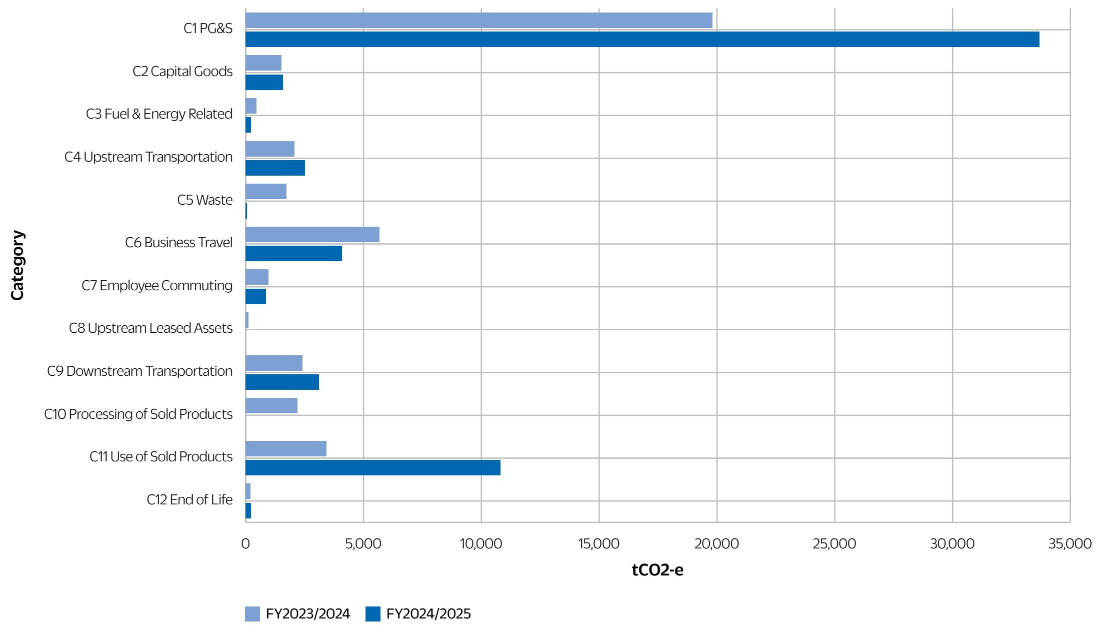
Table 4 below provides a summary of Codan's Scope 3 emissions as per the GHG Protocol reporting categories.

Table 4: Scope 3 emissions by GHG Protocol reporting category

GHG Protocol category	Scope 3 emissions
C1 Purchased Goods and Services	33,697 tCO2-e
C2 Capital Goods	1,580 tCO2-e
C3 Fuel-related and energy-related activities	230 tCO2-e
C4 Upstream transportation and distribution	2523 tCO2-e
C5 Waste generated in operations	48 tCO2-e
C6 Business Travel	4,088 tCO2-e
C7 Employee Commuting	865 tCO2-e
C9 Downstream transportation and distribution	3,103 tCO2-e
C11 Use of Sold Products	10,807 tCO2-e
C12 End-of Life treatment of sold products	225 tCO2-e
Total	**57,166 tCO2-e**

Figure 5 below shows the year-on-year difference per category.

Figure 5: Scope 3 year-on-year emissions difference per category



Key Changes

- Capital Goods (Scope 3 - C2) was recalculated for FY24 in FY25 as the data set utilised in FY24 was for Codan's full capital asset value (~$67mil), not the additions/transfers which occurred in FY24 ($10.12mil). FY24 had a previously disclosed value 12,416.8 tCO2-e and has a recalculated value of 1,510 tCO2-e.
- Purchased Goods and Services (Scope 3 - C1) - In FY24, only a small selection of General Ledger spend was reported. In FY25 the full General Ledger expense was used.
- Use of Sold Products (Scope 3 - C11) - FY24 included a very low number of product sales for Zetron (1,309 units) which form the basis of the calculations. FY25 uses the actual number of Zetron product sales for the MT-4, MT-5 and Cascade product lines (7,864 units).
- Processing of Sold Products (Scope 3 - C10) - In FY24, contract manufacturing operations was reported in this category. As this category applies to the additional processing of an intermediate product (i.e. that are produced by the Codan, that are sold and require further processing prior to sale), this is not the case for Codan products. In FY25, emissions from contract manufacturing have been reported under Purchased Goods and Serviced (Scope 3 - C1).

Calculation Methodology

Table 5 below outlines the key calculation methodology per category.

Table 5

Category	Sub-Category	Calculation Method
1 - Purchased goods and services	Spend	Spend-based
	Minelab & Zetron products	Average-data method
	Tactical products	Spend-based
	Contract manufacturing	Hybrid-method
2 - Capital goods		Spend-based
3 - Fuel-related and energy-related activities		Average-data method
4 - Upstream transportation and distribution		Spend-based
5 - Waste generated in operations		Waste-type-specific method
6 - Business travel	Air travel	Distance-based method
	Hotels, car hire and other travel	Spend-based
7 - Employee commuting		Average-data method
9 - Downstream transportation and distribution		Spend-based
11 - Use of sold products		Products that directly consume energy during use
12 - End-of-life treatment of sold products		Waste-type-specific method

ESG REPORT **ENVIRONMENT**

Opportunities to Reduce Emissions

The FY24 ESG Report stated that the following reduction opportunities were under consideration in the short term:

- installation of additional electric vehicle charging stations at the Mawson Lakes office;
- creation an Uber "Business Corporate Account" to utilise electric and low emission vehicles when on business travel;
- offset carbon emissions from airplane travel;
- use of renewable energy electricity packages for all offices;
- increase percentage of sea fright used compared to air freight; and
- use electric, hybrid or low carbon vehicles when replacing existing fleet vehicles.

Codan recognises the importance of implementing practical, near-term actions to reduce its environmental impact while preparing for long-term climate resilience. In FY25, Codan continued to pursue a range of operational efficiency initiatives aimed at reducing our carbon footprint. Many of the above short-term reduction opportunities have already been actioned or are actively progressing, forming a critical foundation for our broader emissions strategy.

Codan established an Uber for Business account to encourage the use of electric and low-emission vehicles for business travel. As a result, over 57% of Codan's Uber rides during FY25 were in electric or hybrid vehicles. To enhance this progress, Codan has updated its travel policy to require employees to select Uber Green where available. The installation of additional electric vehicle charging stations at our Mawson Lakes office is underway, with planning and approvals currently being finalised in coordination with the building owner. Codan also continued to prioritise sea freight over air freight where operationally feasible, reducing the emissions intensity of our logistics activities. Although no fleet vehicles were replaced in FY25, Codan maintains its commitment to transitioning to electric, hybrid, or other low-emission vehicles as fleet turnover occurs. Appropriate carbon offset options for air travel continue to be identified, with a focus on engaging trusted partners who provide credible, high-integrity outcomes. This remains a priority area for FY26.

Codan acknowledges that the majority of its emissions are Scope 3, stemming from upstream and downstream activities across our global value chain. These emissions present both a challenge and an opportunity. With the support of the GISA AIM Grant, Codan has commenced a project to assess embodied carbon in its products and identify circular economy interventions that can reduce lifecycle emissions. This work will continue into FY26 and is expected to yield valuable insights that inform our strategy to reduce Scope 3 emissions and drive further decarbonisation across our operations and supply chain.

In relation to DTC's UK operations, a carbon reduction plan was established in FY23 to meet stakeholder and regulatory expectations in the UK. The DTC carbon reduction plan was reviewed and updated in November 2024. Ongoing monitoring of the DTC carbon reduction plan will form part of Codan's overall monitoring of the implementation of emissions reduction actions across the group.

Ongoing Environmental Management

Codan's global head office is located in the Technology Park precinct of Mawson Lakes in South Australia, houses around 230 staff (**Head Office**) and has a 5 Star Nabers Energy Rating. The fit for purpose space is fitted with solar panels and electric vehicle charging stations providing free energy to staff. Codan maintains an effective Environmental Management System that is integral to business processes and accredited to AS/NZS ISO 14001 Environmental Management Systems.

Head Office solar panels produced 18547 kWh this year.

All waste produced by Head Office (including all business and production waste) totalled 60 MT. Head Office separates waste for collection by type including food waste and organics, E-waste, cardboard, batteries and secure documents. Six kg of printer toner was recycled.

Head Office had a total water consumption of 10,280 kl which was all taken from city water services.

DTC (UK) continues to purchase 100% renewable power.

In FY24, Codan introduced a new Environment and Biodiversity Policy which recognises the importance of biodiversity conservation and protection. Codan is monitoring the voluntary corporate reporting trends on nature and biodiversity risk and the uptake of the Taskforce on Nature Related Financial Disclosures (**TNFD**) Recommendations. As these reporting practices emerge, Codan will determine whether to commence voluntary reporting using the TNFD.

Codan is mindful of its indirect environmental impact within the supply chain. Codan's Supplier Code of Conduct encourages our suppliers to develop a more sustainable business by minimising their environmental impact. Codan's two largest contract manufacturers are both accredited with ISO 14001 Environmental Management Systems. Both contract manufacturers have confirmed their sites reported no environmental incidents for FY25.

Codan products are Restrictions on Hazardous Substances (**RoHS**) certified. The goal of RoHS is to reduce the environmental effect and health impact of electronics. The legislation's primary purpose is to make electronics manufacturing safer at every stage of an electronic device's life cycle. Codan products are also fitted with a Waste Electrical and Electronic Equipment (**WEEE**) Sticker which encourages consumers to dispose of the product thoughtfully when at the end of its life cycle.

ESG REPORT

SOCIAL

Our People

Core Values and Inclusive Culture

Our Core Values continue to be the cornerstone of Codan's culture across our global community. These values reflect our shared principles and are consistently reinforced across the employee lifecycle — from our Executive communications and performance review processes to our Reward & Recognition program and recruitment practices. They also guide how we welcome new employees joining Codan through acquisition, ensuring a sense of alignment and shared purpose from day one.

In FY25, we deepened the integration of these Values through initiatives that support a culture of respect, collaboration, and accountability. They remain central to how we lead, how we grow, and how we work together.

Employee Engagement

In April 2025, we conducted a company-wide Employee Engagement Survey to better understand how our people experience life at Codan. This survey follows significant business growth and integration of new acquisitions including Zetron UK, Wave Central, and Kägwerks which have brought our workforce to over 1,000 people globally.

We were pleased to achieve a strong 79% participation rate, demonstrating a high level of engagement and commitment from our workforce. Our overall engagement score was 71%, with 82% of employees indicating they would recommend Codan as a great place to work.

Key strengths highlighted in the survey included:

- Safety
- Inclusion
- Management and Work-Life Blend

At the same time, we acknowledged clear opportunities for growth in the areas of:

- Action on feedback
- Recognition
- Learning and Development

In response to the feedback for greater recognition and feedback, we have launched Codan's Global Reward and Recognition program. This program is designed to celebrate outstanding contributions, reinforce behaviours aligned with Codan values, and strengthen a culture of appreciation across the Group.

We remain dedicated to acting on the survey results at both group and local levels, with division-specific insights being shared with leaders and managers to co-design actionable, targeted improvement plans.

Safety and Wellbeing

At Codan, we are committed to creating a safe, healthy, and inclusive workplace for all employees and a positive safety culture is central to our approach. We actively encourage reporting of all safety-related events — including incidents, near misses, and hazards — to ensure timely intervention and continuous improvement.

To support this, we undertook a significant global Safety Project, which included delivery of manager risk assessment workshops, '5 Why's' root cause analysis and investigation training for selected managers, HR representatives, and safety reps, and in early FY26 we will launch an all-employee eLearning module on safety reporting.

Workplace Health & Safety Statistics	FY25	FY24	FY23
Lost Time Injuries	**1**	1	1
Near Misses	**3**	3	1
Incidents	**54**	49	15
Hazards	**2**	N/A	N/A
Fatalities	**0**	0	0

Wellbeing initiatives continued across all parts of the global business, one example of this program featured a Bingo Challenge game that encouraged wellbeing actions and engagement and saw high levels of interaction from employees.

Respectful Workplace Behaviour Workshops were held globally for managers and employees, with a focus of reinforcing Codan's values and expectations in building inclusive and respectful environments, and ensuring legislative compliance.

TRUST & INTEGRITY

HIGH PERFORMANCE

CUSTOMER DRIVEN

CAN-DO

ESG REPORT **SOCIAL**

Diversity, Equity and Inclusion (DEI)

As part of our ongoing commitment to fostering an inclusive and high-performing culture, FY25 marked the launch of our first global "Belonging Strategy" which was developed through in-depth consultation with employees and leaders across our global operations.

The Belonging Strategy outlines four core areas of focus:

- Enhancing connection, belonging, and inclusion across our global workforce;
- Building inclusive leadership capabilities;
- Embedding DEI principles into Codan's systems and processes;
- Improving measurement, accountability, and transparency.

The Belonging Strategy provides the roadmap for continued progress, aligning our culture, systems and leadership capability with our aspiration to build a workplace where all people can thrive.

As a global organisation experiencing growth and expansion into new markets and sectors, our focus remains on the long term. We are strengthening our policies, systems and programs so that they are sustainable and responsive to evolving business and workforce needs.

Gender representation	FY25 Female	FY25 Male	FY24 Female	FY24 Male
Board	**40%**	**60%**	40%	60%
Senior Executive	**17%**	**83%**	17%	83%
Senior Management	**18%**	**82%**	24%	76%
Other	**26%**	**74%**	26%	74%
Whole workforce	**26%**	**74%**	25%	75%

Learning and Development

Learning and development remain a key priority for Codan as we continue to build capability across our global workforce. In FY25, our cross-regional mentoring program was once again offered and received strong interest from both mentors and mentees. This initiative continues to foster meaningful professional relationships, encourage knowledge sharing, and support individual growth.

We also continued to invest in our Human Resources Information System (**HRIS**), which is playing an increasing role in delivering learning, performance, and talent outcomes. In FY25, our Learning Management System (**LMS**) began supporting the rollout of eLearning modules, further strengthening our digital learning capabilities. Development objectives have been reinforced through the performance module, and the recent launch of the talent module has enabled structured talent mapping and succession planning across Codan's divisions.

	FY25	FY24
Learning & Development ($000)	**934**	658

ESG REPORT **SOCIAL**

Our Community

Employing over 200 engineers across the Codan Group, STEM disciplines are central to our operations and future growth. To ensure a strong, diverse and inclusive talent pipeline, we remain committed to encouraging and supporting students of all backgrounds—regardless of gender, age, family status, culture, ethnicity, or religion—to pursue careers in science, technology, engineering and mathematics. In FY25, we expanded our community engagement through new sponsorships and partnerships that reflect our values. This includes support for the Yalari Indigenous education program, providing both annual funding for a cultural development camp and a long-term scholarship to Scotch College; continued sponsorship of the Adelaide University Solar Racing Team, which promotes sustainable engineering innovation; and renewed backing of the South Australian Science Excellence and Innovation Awards. We also joined the Committee for Adelaide and the American Chamber of Commerce in Australia to strengthen ties with the communities and regions in which we operate. Through these initiatives, Codan reinforces its commitment to education, diversity, and environmental responsibility, while helping to advance the technologies that shape a more sustainable future.

Committee for Adelaide and AMCHAM

Codan is a proud member of the Committee for Adelaide, a leading independent organisation focused on shaping a stronger, more inclusive future for South Australia. Through our involvement, Codan contributes to key conversations around economic development, innovation and community wellbeing. Membership allows us to collaborate with other businesses and civic leaders to help drive positive change and long-term prosperity within the state.

Codan is also a member of AmCham, Australia's largest international business organisation. Our membership provides a platform to engage with industry leaders, strengthen trade and investment ties, and contribute to policy discussions that shape the broader business environment. As an international company with strong links to the United States, Codan values the opportunity to deepen relationships and expand our presence in key global markets

Science Awards

Codan continued its sponsorship of the South Australian Science Excellence and Innovation Awards in FY25, reaffirming our commitment to recognising and promoting excellence in STEM. These awards celebrate the achievements of leading scientists, researchers, educators, and innovators whose work is advancing knowledge and driving progress across South Australia. By supporting the awards, Codan helps champion scientific discovery, inspire future generations, and strengthen the state's reputation as a hub for innovation and technological leadership.

Supporting Indigenous Education through Yalari

Yalari
Educating Indigenous Children

Codan is proud to support Yalari, a not-for-profit organisation that provides Indigenous children from regional and remote communities across Australia with the opportunity to receive a high-quality secondary education at leading Australian boarding schools. Founded on the belief that education is the key to generational change, Yalari empowers young Indigenous Australians through access to academic excellence, comprehensive pastoral care and culturally grounded support networks. The program not only delivers academic opportunity but also builds resilience, leadership and pride in cultural identity—equipping students to contribute meaningfully to their communities and beyond.

Year 9 Outback Camp Sponsorship

In FY25, Codan supported Yalari's Year 9 Boys Outback Camp. Approximately 16 students attended this immersive program in Central Australia, which plays a vital role in personal development during a formative stage in their schooling. The camp allows students to spend time on Country, strengthening their cultural identity while building relationships, teamwork, and leadership skills. It forms a key part of Yalari's unique pastoral care approach and provides a meaningful, life-shaping experience that connects students to their heritage and each other.

Long-Term Scholarship Commitment

In addition to annual camp support, Codan has committed to a multi-year scholarship, starting in 2026, to fully fund an Indigenous student to attend Scotch College in Adelaide. This long-term investment underscores our belief in the power of education to transform lives. The scholarship provides not only academic opportunity but also long-term mentoring and support, ensuring the student has every chance to succeed and thrive. By partnering with Yalari in this way, Codan is helping to build a more inclusive and equitable future—one student at a time.

Scholarships

Codan continues to support the Undergraduate STEM Scholarship for Women with the University of South Australia. Available to second year female students enrolled in a full-time or part-time eligible STEM undergraduate program, the scholarship is valued at up to $15,000 over three years. It also provides a paid work experience component to complement the financial assistance and extend the scholarships value by providing practical work based experience, mentoring, and a potential pathway to employment.

Codan supported the University of South Australia STEM Girls Academy Creative Challenge, which is based on the problem solving mindset "Design Thinking" and combines a series of steps which can guide you to think as a designer, sparking ideas that can lead to innovation. Through the STEM Girls Academy, students were presented with a challenge to innovate and design a solution to how Codan products could be used to enhance daily life in rural Australia. The solutions were featured in a temporary exhibit at Adelaide's Museum of Discovery and the exhibit opening facilitated the opportunity for the students, ambassadors and mentors to connect and exchange their experience.

Codan also continued to support the Codan Playford Trust honours scholarship. The $10,000 scholarship is awarded annually to an outstanding student commencing third year, fourth year or Honours in electronic engineering, signal processing or physics, with an interest in sensing systems. The successful applicant has the opportunity to undertake paid work experience at Codan. The aim is to help the student develop skills and knowledge and enhance their industry experience. The students will work on projects in a collaborative environment, actively contributing and drawing on the experience of others.

The Codan Founders PhD Scholarship through the University of Adelaide is in the process of awarding its first scholarship.

THE UNIVERSITY of ADELAIDE

University of South Australia

ESG REPORT **SOCIAL**

Being a socially conscious and responsible organisation is a part of Codan's corporate identity. Our mission is to target community programs that assist disadvantaged groups within the communities our businesses operate.

	FY25	FY24
Donations ($000) inclusive of product donations	**439**	387

Codan continues to be a proud major sponsor of Youth Opportunities. Youth Opportunities supports young people to develop the lifelong skills, habits and confidence to thrive. Through this sponsorship, Codan will provide 40 young people in Northern Adelaide the opportunity to participate in the Youth Opportunities Elevate Personal Leadership Pathway program, and award 2 Educational Scholarships. This wellbeing and leadership program offered to Year 10 students, will help them to develop the skills to overcome adversity, build resilience and optimism, and prepare for their future - while also providing access to opportunities which reduce barriers to achieving their potential.

Zetron is an active supporter of various charitable organizations and life-changing emergency response efforts around the world. In FY25, Zetron contributed more than $200k (USD) and thousands of employee volunteer hours to causes in many of the global geographic regions the company serves. Just a few highlighted examples from FY25 included:

- In September 2024, Zetron held its annual Shoot for the Stars charity golf and auction event, raising $50k (USD) for the Behind the Badge Foundation, which directly supports law enforcement agencies, families and communities of officers killed or seriously injured in the line of duty. In its 12-year run, Zetron's annual event has raised nearly half a million dollars for the organization.
- When Hurricane Helene hit the US east coast, destroying homes, businesses, and claiming many lives, emergency communications were crippled, complicating rescue and recovery efforts. Madison County, a rural area of North Carolina where a new countywide Zetron LMR network had been deployed, was heavily impacted and Zetron employees quickly engaged. In addition to sending transportable repeaters to help establish temporary first responder communications while their systems were down, Zetron engineers dispatched to the county to accelerate the restoration of communications and back in Zetron's US headquarters more than 2,600 miles away, employees launched a donation drive, sending household supplies, personal care items, and non-perishable food to the county.
- In November 2024, Zetron entered a new partnership with Crime Stoppers Global Solutions (**CSGS**), a nearly 50 year old citizen-driven crime prevention and reporting organization that began in the United States. Zetron's partnership and support last year enabled CSGS to expand its European operations into Serbia and the Balkans, where the organization played a key role in taking down a massive illegal human trafficking, drugs and weapons ring operating in multiple countries.

Codan is a long-time proud supporter of Variety - the Children's Charity (**Variety**). 2025 marks our 37th year of gold sponsorship of the Variety Bash, Australia's largest and longest running charity motoring event through the Australian outback. Codan participates in the event with its own Variety Bash vehicle and oversees the radio communications in the lead up to the event. In addition, Codan is responsible for manning the control centre to facilitate the communication and tracking of all official vehicles, mobile workshops and mobile doctors, for a safe and successful Variety Bash. Codan employees conduct site surveys ahead of the Variety Bash to ensure the remote site provides reliable communications along the Variety Bash route, as well as provide HF radio operator training, assist with radio installations and attend Variety Bash meetings.

Codan hosted its fifth annual charity golf day in South Australia, where key stakeholders were invited to register a team to participate in a fun filled day on the course. $120,000 (AUD) was raised inclusive of key stakeholder and Codan donations, and this amount was donated and distributed evenly amongst three chosen charities, namely: Variety, Hutt St Centre and KickStart for Kids.

In FY25, Codan continued its support to Catherine House, South Australia's only homelessness and recovery service for women. Catherine House provides crisis and long term accommodation, mental health programs, access to education and employment opportunities and other support services to women experiencing homelessness in the state.

Minelab Clean Sweep

In March 2025, Minelab launched its "Clean Sweep" campaign, promoting responsible metal detecting practices and environmental stewardship within the global detecting community. The campaign encouraged users to leave detecting sites cleaner than they found them by removing litter and disposing of waste responsibly. Through educational content, community engagement, and on-the-ground clean-up initiatives, Clean Sweep reinforced Minelab's commitment to sustainability and protecting the natural environments where its products are used. The campaign reflects Codan's broader values of environmental responsibility and community-minded innovation.

ESG REPORT

GOVERNANCE

Corporate Governance Statement

Codan's corporate governance statement, which was approved by the Codan Board on 20 August 2025, is available on the company's website and may be accessed at https://codan.com.au/who-is-codan/corporate-governance/.

Business Ethics / Behaviour

Codan's Code of Conduct provides a framework for employee conduct, with guidance around expected and acceptable standards of behaviour that are aligned with our Core Values, and which allow us to work together to achieve the goals of the business. The Code of Conduct and Core Values are included in induction packs for new starters.

An essential part of our culture of "Trust & Integrity", one of Codan's four Core Values, is underpinned by our "Speak Up" culture. This culture encourages staff to raise issues or conduct that concerns them. Our "Speak Up" culture is reinforced by our Code of Conduct, Core Values and Whistleblower Protection Policy. We take all reports of harassment, discrimination, bullying and any form of misconduct very seriously. Our grievance procedure facilitates the appropriate investigation and resolution of complaints. There were six (6) workplace grievances registered globally during FY25. All reports/grievances were investigated in line with Company policy framework(s) and were resolved and closed out with relevant parties. No further disputes or objections were raised.

At Codan, we take compliance seriously. We have a strong, fit for purpose compliance program run by our in house Legal & Compliance department. Staff training is a critical part of this program and is compulsory for all employees and forms part of our induction program.

This induction includes training on Anti-Bribery and Anti-Corruption (**ABAC**), Modern Slavery, Continuous Disclosure, Share Trading, Whistleblower Protection and Code of Conduct. Our training program is risk-appropriate, with additional tailored training sessions conducted for staff in high-risk roles.

ABAC remains a material topic for our business, as we acknowledge some of our businesses operate in high-risk environments. Our ABAC program and ABAC Policy is reviewed annually to ensure it remains fit for purpose and in line with best practice anti-bribery compliance programs. Key aspects of the program involve a risk driven due diligence process for third party business partners, regular training for high-risk staff and a selection of third parties, and an approval based gratuities register. Internal audits are conducted on high-risk transactions each year.

Codan's sanctions compliance program is a groupwide approach that uses enhanced due diligence measures, external resources, monitoring and approval procedures to ensure we meet our global sanctions obligations.

Codan's modern slavery program is continually reviewed in line with our Modern Slavery and Human Rights Policy. Codan has continued its membership with the UNGC's Modern Slavery Communities of Practice, which allows discussions across different industries and organisation size, to share ideas in the pursuit of best practice. Codan produces an annual Modern Slavery Statement designed to meet the disclosure requirements of the Australian Modern Slavery Act 2018 (Cth). Codan remains committed to identifying modern slavery risks in its third-party manufacturing and supply network through regular risk assessments and oversight mechanisms. Codan's Modern Slavery Statement can be found here : https://codan.com.au/wp-content/uploads/2025/02/CDA-Modern-Slavery-Statement-FY24.pdf.

Codan's supply and procurement team are in regular contact with its manufacturers and suppliers. Codan is actively engaged in maintaining an established network that supports transparency and continuous improvement around their approaches to identifying and mitigating modern slavery risk. In FY25, Codan's Chief Operating Officer, Supply Chain Manager, Procurement Officer, and Legal Counsel visited multiple third-party supply and manufacturing sites to conduct in person modern slavery audits.

These audits provide first-hand insights into the conduct of our third-party suppliers and manufacturers, allowing us to gauge their understanding, commitment and ongoing efforts with respect to modern slavery compliance.

We have a Supplier Code of Conduct and Supplier Terms and Conditions that include Modern Slavery clauses. The Supplier Code of Conduct now includes requirements for suppliers to abide by Codan's Conflict Mineral Policy and comply with the International Labour Organisation (**ILO**) Declaration on Fundamental Principles and Rights at work. We have systems in place to carry out daily online searches on our highest risk suppliers for any adverse media, including modern slavery topics, and to date we have had no adverse "hits". Codan is not aware of any supplier non-compliance with social expectations or any contractor fatalities in FY25.

	FY26 Target	**FY25 Actual**	FY24
ABAC Policy violations	NIL	**NIL**	NIL
ABAC Internal audits	2	**2**	2
Sanction breaches and fines	NIL	**NIL**	NIL
Modern Slavery breaches	NIL	**NIL**	NIL

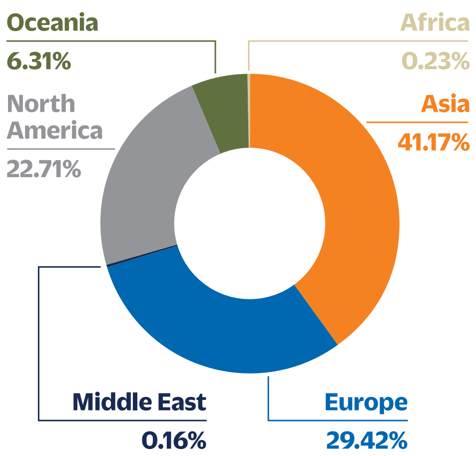
ESG REPORT **GOVERNANCE**

Our Supply Chain

Codan has an extensive global supply chain in place, sourcing product and material from most regions in the world. We partner with suppliers who meet stringent quality standards, are innovative and work in safe and responsible ways. Our dealings with our suppliers reflect Codan's core values, and as such, we have built collaborative, honest and trusting relationships which have resulted in reliable supply over the long term.

Our supply chain is responsive to the changing needs of our customers and markets. All Codan suppliers must provide agility, flexibility and speed to market. At the end of our supply chain are global distribution centres located in the UAE, USA, Malaysia, Poland, Brazil, Mexico, India and Australia, which ensure product is regionally distributed for the fastest route to market.

Codan Group supplier spend per region



1,000 active suppliers across the Codan Group, with supplier spend circa $213 million across mostly electronic components, as well as cables, antennas, plastics and packaging.

Cyber Security

As a global technology company, safeguarding our intellectual property and confidential information is paramount to maintaining trust with our customers, suppliers and partners. As the probability of cyber-attacks increase and become more complex, Codan has adopted a risk-based framework to protect our assets along with general alignment with ASD Essential 8. Cyber risks are regularly reported to the Codan Board and Audit and Risk Committee. Relevant organisational policies and standard operating procedures are in place and are regularly reviewed to ensure they remain commensurate with the external risk.

During FY25 Codan completed penetration testing and regular vulnerability assessments to highlight potential system vulnerabilities. Continued staff awareness training was completed by all employees.

In FY25, Codan had no known major security incidents.

Tax

As part of our commitment to meeting our global taxation obligations in a transparent and open manner, we conduct our tax affairs within a robust tax risk management policy and framework overseen by the board.

Codan's tax governance process is documented in our Tax Risk Management Policy and Framework. This framework is based on the philosophy of managing tax risk through a well-planned approach built around the following principles:

- A transparent and accountable relationship with local country tax authorities;
- The payment of the legally correct amount of tax in a timely manner;
- The systematic identification of significant tax sensitive transactions ahead of time;
- The documentation of tax processes to facilitate review and minimise the impact of changes in personnel;
- Defined channels for the reporting of tax information to the board;
- Internal controls, with effectiveness of those controls assessed on a regular basis;
- Codan should not enter any transaction where there is a material risk that any legislative general anti-avoidance provisions will be applied by a Court; and
- Codan will not promote tax exploitation schemes.

The board has delegated oversight of Codan's taxation affairs and the framework to the Audit and Risk Committee (**ARC**). The framework requires ARC to attest to the board on a yearly basis that it has effective policies and processes in place to manage tax risk.

The Chief Financial Officer has overall responsibility for the group's taxation affairs, including enforcing policies and implementing strategies approved by the board, developing and implementing systems that identify, assess, manage and monitor tax risks, monitoring the appropriateness, adequacy and effectiveness of tax risk management systems and reporting on tax risk and management thereof to the board. The Chief Financial Officer is also responsible for the maintenance of in-house tax resources with appropriate qualifications and experience in taxation matters, to oversee that Codan's obligations globally are discharged in a legally correct and timely basis and that the tax risk management controls set out in the framework operate in an effective and robust manner.

The framework requires management to consult with reputable local country external tax advisors where appropriate to ensure compliance with local country obligations. KPMG is engaged to review the numbers disclosed in the Tax Note in the Annual Report each year, as part of the half-year review and full-year audit. We apply arms'-length principles to our international related party dealings, engaging with external advisors with appropriate expertise to ensure our compliance with transfer pricing laws globally.

As part of our commitment to our tax risk management policy and framework, we adopted the recommendations of the Board of Taxation's Tax Transparency Code with effect from June 30, 2021. To this end, the board has directed that each year the Annual Report should contain sufficient information to comply with Part A of the Code. The Part A disclosures required of Codan by the Code are:

- Codan's Australian and Global effective tax rates;
- a reconciliation of the accounting profit to income tax expense;
- a reconciliation from income tax expense to current year income tax payable; and
- identification of material temporary and non-temporary differences.

The Part A financial information can be found in the Taxation Note (Note 7) of the Notes to the Financial Report on page 96 of this Annual Report. As Codan's business has continued to diversify, and in line with the success of our communications business, the activities and assets which generate our income have become more balanced and spread across the globe. In FY2025, we paid $10.6 million corporate income tax in Australia which is just over 40% of our global corporate income tax contribution. Our shareholders continue to benefit from the generation of Australian franking credits from Australian tax paid.

BOARD OF DIRECTORS

GRAEME BARCLAY

MAICD, F Fin, CA, MA (Hons)

Chair, Chair of Remuneration and Nomination Committee

Graeme was appointed to the Codan board in 2015 and became Chairman in February 2023.

Graeme was appointed as a non-executive director of Aussie Broadband Limited (ASX:ABB) in April 2025.

Graeme is a former CEO and Chartered Accountant with 40 years' experience in professional services, investment banking, broadcast and telecommunications infrastructure businesses.

Over the past 20 years Graeme has held Executive Chairman or Group CEO roles at BAI Communications, Transit Wireless LLC (New York), Nextgen Networks, Metronode data centres and Axicom group (formerly Crown Castle Australia), and for 8 years during this period was also an executive director in Macquarie Group's infrastructure team. In these roles, Graeme was responsible for all aspects of strategy, M&A, sales and business development, contract delivery and operations, as well as implementing the appropriate capital structure and raising equity and third-party debt for these businesses in Australia, UK, Hong Kong, Singapore, Canada, USA and New Zealand.

Over the past 20 years in these businesses, Graeme led and completed more than 20 acquisition and divestment transactions including the sale of Nextgen Networks to Vocus for $820 million in 2016 and the sale of Metronode to Equinix for $1.04 billion in 2018. In his role as Chairman of Uniti Group Limited (ASX:UWL), he led the company from a market capitalisation of $30 million at IPO in February 2019, through 10 acquisition transactions, to the successful divestment via a Scheme of Arrangement to a consortium of investors led by HRL Morrison and Brookfield Asset Management at an enterprise value of $3.8 billion in August 2022.

Included in his prior board appointments are: Arqiva Limited (institutionally owned UK telecommunications infrastructure group), Chairman of the main board and of the Audit and Risk committee for Nextgen group (Ontario Teachers' Pension Plan majority owned fibre network and data centre owner), NED and member of the Audit and Risk Committee of Axicom Group (institutionally owned mobile tower business), and from September 2018 until August 2022, Chairman of Uniti Group Limited (ASX:UWL) (fibre to the premise network owner and operator).

Graeme holds an honours economics degree, is a Chartered Accountant, a fellow of FINSIA and a member of AICD.

ALF IANNIELLO

Wharton GCP, GradCertMgmt, BEng(Electronics)

Managing Director and Chief Executive Officer

Alf Ianniello joined Codan as Chief Executive Officer and Managing Director in January 2022.

Having held numerous global executive leadership roles in his career – spanning three decades – Alf has considerable expertise across packaging, defence and automotive industries.

Prior to joining Codan, Alf was Chief Executive Officer of Detmold Group for 14 years. Throughout this tenure, Alf identified growth opportunities and opened new markets and product lines to position the Australian family-owned and operated business as a global leader in the provision of sustainable packaging products.

In a highly competitive market, Alf was responsible for significant expansion in Detmold's profitability and development, and under his stewardship, Alf successfully positioned Detmold as an employer of choice, given his focus on fostering positive culture, developing individuals and promoting teamwork.

After earning a Bachelor of Engineering (Electronic Engineering) in 1994, Alf began his career as a Design and Production Engineer with British Aerospace Australia.

He then spent 7 years with Schefenacker Vision Systems, as a Customer Engineer and Branch Manager in the USA, before moving to the organisation's Australian division in 2000 as Project Manager. In 2007, Alf was appointed Schefenacker's Australian Managing Director.

Known for his ability to leverage innovation and organisational capabilities, Alf has managed major facilities across Australia, China, Vietnam, Philippines, India, Singapore, Dubai, Indonesia, US, UK, Germany and South Africa.

Alf attended the Wharton Business School Global CEO Program at the University of Pennsylvania in 2012. He also holds a Graduate Certificate in Management and Bachelor of Engineering (Electronic Engineering) from the University of South Australia and graduate of the Australian Institution of Company Directors.

HEITH MACKAY-CRUISE

BA (Econ), FAICD

Independent Non-Executive Director

Heith was appointed to the Board in March 2023 and has been involved in the media, education and technology sectors over the past 25 years. Heith is currently the non-executive Chair of Southern Cross Media Group Limited (ASX:SXL) where he served as as non-executive director since October 2020 and is also the Deputy Chair of the Australian Institute of Company Directors.

Heith was a previous non-executive Chair of Straker (ASX:STG) from July 2022 to July 2024, LiteracyPlanet, hipages Group (ASX:HPG) and the Vision Australia Foundation as well as a previous non-executive Director of LifeHealthcare and Bailador Technology Investments (ASX:BTI). In Heith's prior executive career, he was the founding CEO of Sterling Early Education, the Global CEO and Managing Director of Study Group, and CEO for PBL Media New Zealand. Heith also held senior executive positions with Australian Consolidated Press and worked in sales and marketing roles for PepsiCo around Australia.

Heith is a mentor with Kilfinan Australia, a Fellow of the Australian Institute of Company Directors and has a Bachelor of Economics degree from the University of New England.

KATHY GRAMP

BA (Acc), FCA, FAICD*Life*

Independent Non-Executive Director, Chair of Audit and Risk Committee

Kathy was appointed to the board of Codan in November 2015. She has had a long and distinguished executive career and over 26 years of board experience across a diverse range of complex organisations and industry sectors. She has significant experience as Chair of Audit & Risk Committees.

Prior to joining Codan, Kathy was CFO of Austereo Ltd. She joined Austereo in 1989 and retired in June 2011. In that time the company grew from 2 radio stations to the largest commercial radio network in Australia, and the leader in Digital and Online Media. Leadership roles and responsibilities included business planning & re-engineering, debt & equity raising, acquisitions & integration, capital investment, major IT projects, corporate governance, risk management, financial management, tax & accounting, change management and investor & key stakeholder relations. Further experience was gained through exposure to international markets such as Greece, UK, USA, South Africa, Argentina, Malaysia, and New Zealand.

Kathy was a Director of Uniti Group Limited (ASX:UWL) from May 2018 until August 2022, Chair of Audit & Risk Committee and member of the Nomination & Remuneration Committee until August 2022. Uniti, a diversified provider of telecommunication services, listed in February 2019 and through acquisition and organic growth, increased its enterprise value from around $30 million at the time of listing to $3.8 billion in August 2022 when the business was sold to a consortium of financial investors.

She was a Director of QANTM IP Limited (ASX:QIP) from May 2022 until August 2024, and also served as Chair of the Audit and Risk Committee until August 2024 when the company successfully completed a Scheme of Arrangement. QANTM was the owner of a group of leading intellectual property and trademark services businesses operating in Australia, New Zealand, Singapore, and Malaysia.

Kathy is the Chair of the RAA Group.

Kathy holds a BA Accounting, is a Chartered Accountant (Fellow) and a Life Fellow of the Australian Institute of Company Directors and is a member of Chief Executive Women.

SARAH ADAM-GEDGE

BBus (Acc), FCA, GAICD

Independent Non-Executive Director

Sarah was appointed to the Board in February 2023. She has expertise in digital and technology businesses with an executive background that includes 12 years at IBM Global Business Services, and 8 years as CEO of Avanade Australia, Publicis Sapient Australia and Wipro Limited Australia and New Zealand.

Sarah has extensive international experience as a result of leadership roles in global information technology companies, and significant experience driving growth, customer relationship management, and across different markets. Prior to joining IBM, Sarah was a Consulting Managing Partner at PWC, and Audit and Business Consulting Partner at Arthur Andersen.

She is a non-executive Director of Bravura Solutions Ltd (ASX:BVS) since September 2023, Emeco Holdings Ltd (ASX:EHL) since October 2023 and Aussie Broadband Limited (ASX:ABB) since July 2025. She is also on the board of Cricket Australia, and was previously Deputy Chair and NED at Austal Ltd (ASX:ASB) where she served from August 2017 to April 2025.

Sarah is a Chartered Accountant (Fellow), a graduate of the Australian Institute of Company Directors, and currently mentors for the Minerva Network and CAANZ.

MICHAEL BARTON

BA (Acc), FCA

Chief Financial Officer and Company Secretary

Michael joined Codan in May 2004 as Group Finance Manager after a 14-year career with KPMG in their assurance division. He was appointed Company Secretary in May 2008 and in September 2009, Michael was promoted to the position of Chief Financial Officer and Company Secretary. Michael leads a team responsible for managing Codan's financial operations as well as legal and commercial matters and investor relations.

He holds a Bachelor of Arts in Accountancy from the University of South Australia and is a fellow of Chartered Accountants Australia and New Zealand.

DANIEL WIDERA

LLB/LP Harvard PLD

General Counsel and Company Secretary

Daniel joined Codan in March 2013 as Senior Legal Counsel, following eight years of experience as a corporate lawyer in both private practice and in-house roles. In September 2022, he was appointed General Counsel and Joint Company Secretary of Codan. In this capacity, Daniel leads Codan's global legal and compliance functions and oversees the group's Environmental, Social and Governance (ESG) program.

He holds a Bachelor of Laws and Legal Practice from Flinders University and completed the Program for Leadership Development at Harvard Business School, earning full HBS alumni status in 2024.

LEADERSHIP TEAM

ALF IANNIELLO

Wharton GCP, GradCertMgmt, BEng(Electronics)
Managing Director and Chief Executive Officer

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After earning a Bachelor of Engineering (Electronic Engineering) in 1994, Alf began his career as a Design and Production Engineer with British Aerospace Australia.

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Known for his ability to leverage innovation and organisational capabilities, Alf has managed major facilities across Australia, China, Vietnam, Philippines, India, Singapore, Dubai, Indonesia, US, UK, Germany and South Africa.

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Michael joined Codan in May 2004 as Group Finance Manager after a 14-year career with KPMG in their assurance division. He was appointed Company Secretary in May 2008 and in September 2009, Michael was promoted to the position of Chief Financial Officer and Company Secretary. Michael leads a team responsible for managing Codan's financial operations as well as legal and commercial matters and investor relations.

He holds a Bachelor of Arts in Accountancy from the University of South Australia and is a fellow of Chartered Accountants Australia and New Zealand.

SCOTT FRENCH

BSc
President and Executive General Manager, Zetron

Scott was appointed to the role of President and Executive General Manager, Codan Critical Communications in February 2019.

With the acquisition of Zetron in 2021, GeoConex in 2022 and Eagle Ltd in 2023, Scott is now leading Zetron worldwide, headquartered in the USA with operations in Canada, UK, US and Australia. Scott came to Codan highly recommended for his lateral thinking, strategic approach to business and for his strong leadership. He brings a wealth of experience gained from 35 years with world-class organisations including the US Department of Defense, Motorola, Panasonic, Zetron and Codan which have a strong history of providing technology solutions that enable improved communications.

During his time at Motorola, Scott made the transition from engineering leadership to overall go-to-market leadership for several lines of business, helping to transform Motorola into a solutions provider beyond land mobile radio (LMR). Throughout his journey, Scott gained significant experience in wireless technologies including broadband, solution delivery and services. At Panasonic, he continued his leadership by transforming the company from product to solutions sales, with focus on mobile devices and security, before assuming the role of Senior Vice President and General Manager, Americas for two years with Zetron, a command and control company.

Following the acquisitions of Zetron, GeoConex and Eagle, Zetron is now a global leader in mission critical command and control solutions for public sector, transportation and utilities. In addition, Scott has served as Vice Chairman on the state and local Board of Directors of TechAmerica, representing both Motorola and Panasonic, and was also the Chair of the State and Local Government and Education Executive Council of IT Alliance for Public Sector.

Scott holds a Bachelor of Science in Industrial and Systems Engineering from Virginia Tech, is a member of Virginia Tech's Engineering Distinguished Alumni (2025) and undertook MBA studies with a focus on leadership at Loyola University Maryland.

PAUL SANGSTER

BS, Chicago Booth AMP
President and Executive General Manager, DTC

Paul Sangster is the Executive General Manager of the Tactical Communications segment for Codan and has over 25 years of industry experience. He is responsible for business strategy, financial performance and operational execution covering a broad portfolio of products and services. Prior to leading the Tactical Communications segment, he led the global business development efforts for the Communications Division. Paul joined Codan in 2013.

Prior to Codan, Paul spent 12 years at Cobham Tactical Communications and Surveillance as the Vice President of Sales and Marketing, based in Washington DC.

He holds a Bachelor of Science in Management Studies from University of Maryland, Global Campus. He also completed the Executive Development Program and the Advanced Management Program at University of Chicago's Booth Business School.

BEN HARVEY

BA, MBA, AMP
President and Executive General Manager, Minelab

Ben joined Codan in 2017 as the Minelab Vice-President, General Manager for the Americas and Europe, driving significant and sustained growth in these regions and was appointed to President and Executive General Manager, Minelab on 1 October 2023.

Ben brings a wealth of commercial acumen to Codan as evidenced by his more than thirty years of experience spanning Fortune 500 leaders such as Newell Brands and Masco Corporation, as well as private equity and entrepreneurial organizations. During his career, Ben has held various roles of increasing responsibility across business development, marketing and general management disciplines with a particular focus on the retail consumer space. Ben is a globally minded, highly impactful executive with a proven track record for generating breakthrough results via strategic development and implementation across diverse geographies and verticals.

Ben holds a Bachelor of Arts degree in International Business from Adrian College as well as a Masters of Business Administration from Wayne State University. In addition, Ben completed the Advanced Management Program at Harvard Business School in 2022.

MARJOLIJN WOODS

BASc, GradDipHRM
Chief Human Resource Officer

Marjolijn joined Codan in 2018 and has held the role of Chief Human Resources Officer since January 2023.

Prior to this appointment, Marjolijn was the Global Human Resources Director for Codan | Domo Tactical Communications and has extensive experience with people and culture.

She holds a Bachelor of Applied Science from Deakin University and a Graduate Diploma Human Resource Management from the University of South Australia.

DANIEL HUTCHINSON

BCom (Hons), LLB (Hons)
Executive General Manager – Strategy, Corporate Development and M&A

Daniel brings almost two decades of investment banking and corporate advisory experience to Codan. Prior to his appointment, Daniel was a Managing Director at MA Moelis Australia (the Australian affiliate of Moelis & Company) where he advised on numerous M&A and capital markets transactions for Australian and international technology and industrials companies.

He is a Non-Executive Director of MagnaTerra Technologies Limited as well as an Australian-based e-commerce company.

Daniel holds a Bachelor of Commerce (Hons) and a Bachelor of Laws (Hons) from the University of Queensland.

PIETER GUICHELAAR

BEng (Aerospace)
Chief Operating Officer

Pieter joined Codan as Chief Operating Officer in June 2025. He brings more than 20 years of international experience across the aerospace, automotive, and advanced manufacturing sectors, with leadership roles in general management, production, supply chain, and engineering across Europe, North America, and Asia-Pacific.

FINANCIAL REPORT

Financial Report
For the year ended 30 June 2025

DIRECTORS' REPORT

The directors present their report together with the financial statements of the group comprising Codan Limited ("the Company") and its subsidiaries for the financial year ended 30 June 2025 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Graeme Barclay

Alf Ianniello

Kathy Gramp

Sarah Adam-Gedge

Heith Mackay-Cruise

Details of directors and their qualifications and experience are set out on pages 54 to 57.

COMPANY SECRETARY

Mr Michael Barton BA (Acc), FCA

Michael joined Codan in May 2004 as Group Finance Manager after a 14-year career with KPMG in their assurance division. He was appointed Company Secretary in May 2008 and in September 2009, Michael was promoted to the position of Chief Financial Officer and Company Secretary. Michael leads a team responsible for managing Codan's financial operations as well as legal and commercial matters and investor relations.

He holds a Bachelor of Arts in Accountancy from the University of South Australia and is a fellow of Chartered Accountants Australia and New Zealand.

Mr Daniel Widera LLB/LP, Harvard PLD

Daniel joined Codan in March 2013 as Senior Legal Counsel, following eight years of experience as a corporate lawyer in both private practice and in-house roles. In September 2022, he was appointed General Counsel and Joint Company Secretary of Codan. In this capacity, Daniel leads Codan's global legal and compliance functions and oversees the group's Environmental, Social and Governance (**ESG**) program.

He holds a Bachelor of Laws and Legal Practice from Flinders University and completed the Program for Leadership Development at Harvard Business School, earning full HBS alumni status in 2024.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are set out below:

	Board meetings		Audit and Risk Committee meetings		Remuneration and Nomination Committee meetings	
Director	**A**	**B**	**A**	**B**	**A**	**B**
Mr A Ianniello	18	18				
Mr G R C Barclay	18	18	4	4	5	5
Ms K J Gramp	17	18	4	4	4	5
Ms S Adam-Gedge	17	18	4	4		
Mr H Mackay-Cruise	18	18			5	5

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

CODAN LIMITED AND ITS CONTROLLED ENTITIES

REMUNERATION REPORT – AUDITED

Key messages from Chair of Remuneration and Nomination Committee

Dear Shareholders,

I am pleased to present the Codan Group remuneration report for FY25.

FY25 Remuneration Framework

In formulating our remuneration strategy and framework we engage with key stakeholders and external independent advisors in order to understand how Codan should attract, retain and motivate the high calibre executive leaders and team members we require to execute on our strategy and to deliver superior returns for our shareholders.

Our philosophy is that our Executive Key Management Personnel (**Executive KMP**) should be motivated to act as long-term owners of the Company and that their remuneration incentives are directly aligned with shareholder interests. The FY25 remuneration structure for Executive KMP is therefore designed to achieve this alignment, with the key elements as follows:

- STI for KMP is based on a scorecard approach including targets for revenue growth, profitability and free cash flow (group and business unit targets), order book growth and achievement of sustainability and safety targets;
- These performance metrics were tailored for each Executive KMP to reflect the specific areas of their responsibility and control, weighted to those metrics that an Executive KMP has the greatest ability to directly influence;
- For each of the STI performance metrics, the Board set a minimum performance threshold (below which no STI applies for that metric), an on-target performance level (which reflects the annual plan approved by the Board) and a stretch target that is typically greater than 110% of the on-target performance level;
- A cap of a maximum of 100% of fixed remuneration applies to all STI payments to Executive KMP;
- LTI is a 3-year performance period using two metrics: a) EPS growth to requiring compound annual growth of between 8% at threshold, 10.5% at target and 13% at maximum with a 67% weighting; and b) a Relative Total Shareholder Return (RTSR) performance, with a 33% weighting, requires performance above the 50th percentile at threshold, 62.5th percentile at target and above the 75th percentile at maximum, compared to peer group performance; and
- In FY25 we have made a further amendment to our LTI plan with the introduction of an additional Superior Performance Incentive Rights (**SPIR**) component providing the CEO and Executive KMP the opportunity to earn additional rights up to a maximum of the value of their fixed salary if compound annual EPS growth of between 14% and 21% is achieved over a 3 year measurement period. We believe this additional incentive motivates our leadership team to deliver exceptional long-term growth.

This structure provided our Executive KMP with the ability to influence the outcome of their STI performance more directly, with performance metrics that reflect the key value drivers for Codan and most importantly, in combination with the LTI and SPIR structure and metrics, better aligns reward outcomes for Executive KMP with our shareholders. All rewards under the LTI and SPIR are equity-based, based on multi-year outcomes and restrict Australian Executive KMP from disposing of 90% of the shares for a further 2 years after vesting, further reinforcing alignment with shareholders over the long term.

FY25 Remuneration Structure and Outcomes

Executive KMP, other than the CEO, had their fixed remuneration reviewed during the year with increases made in line with relevant market conditions. The CEO's fixed remuneration will be reviewed in FY26.

Codan's performance in FY25 was outstanding, achieving significant growth over the prior year with revenues increasing by 22% to $674 million, EBIT increasing by 28% to $146 million, and NPAT increasing 27% to $104 million. This improved performance allowed dividends per share to also be increased by 27% over FY24. This improved financial performance has resulted in increased short-term incentive outcomes for our Executive KMP in FY25.

All segments of our business delivered improved financial performance in FY25 and it is pleasing to report that each Executive KMP has earned STI payments for FY25 to reflect their contribution, as detailed in the report. The CEO has elected to take all of his FY25 STI in shares.

Codan's LTI plan involves an annual grant of rights, with vesting dependent on performance against pre-determined targets over 3-year measurement periods. Therefore, at any point in time, Executive KMP are participating in three annual LTI plans, as follows:

- The Codan group FY23 LTI plan used a single metric of aggregate EPS over the FY23-FY25 period. Now that the 3-year performance period has ended, we report the outcome for the FY23 LTI plan is that no LTI plan performance rights will vest for any Executive KMP as performance did not meet the required threshold.
- In FY23, following the acquisition of the Zetron and DTC businesses, we granted additional performance rights to the two Executives who lead the Zetron and DTC businesses that make up our Communications division. Under this grant each had the opportunity for up to 125,000 shares to vest if certain financial targets were achieved by the communications division and if they satisfactorily met service conditions through to 1 January 2027. Over the three-year performance period applying to this grant, the Communications division has increased revenues by 71% from $242 million in FY22 to $413 million in FY25 and increased profitability by 116% from $50 million to $108 million. As a result, the performance condition to vesting of 175,000 share rights that were based on financial performance will fully vest in August 2025. 75,000 share rights remain unvested subject to the service conditions.
- The FY24 and FY25 LTI plans are equity rights plans that have two performance measures, measured over a three-year period, being EPS CAGR and RTSR. The FY24 and FY25 LTI plans are in their second and first years, respectively, of their three-year performance period so the vesting outcomes of these LTI plans for Executive KMP will not be known until the completion of FY26 and FY27, respectively.

REMUNERATION REPORT – AUDITED (continued)

FY25 Remuneration Structure and Outcomes (continued)

To provide some guidance to shareholders on how these plans are currently tracking, it is worth noting that in FY24 EPS growth of 24% was achieved and Codan's share price increased from $8.03 to $12.03, and in FY25 EPS growth of 27% was achieved and Codan's share price increased from $12.03 to $20.11.

FY26 Remuneration Structure

As we move into FY26 our intent is to ensure we have a reward structure that: a) is competitive in each geography that our Executive KMP reside and operate, noting the global span of Codan's businesses; and b) will incentivise and motivate Executive KMP to deliver sustainably superior returns for our shareholders over the medium to long term. During FY26, we will continue to consider further changes to the way our Executive KMP are incentivised to remain employed by Codan and motivated to deliver exceptional outcomes for our shareholders.

Graeme Barclay
Chair, Remuneration and Nomination Committee

Key Management Personnel

This report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth)(**Act**) and Accounting Standards. It outlines our remuneration strategy for the financial year ended 30 June 2025 and gives detailed information on the remuneration arrangements of Executive KMP. KMP are those who have authority and responsibility for planning, directing, and controlling the Group's activities, either directly or indirectly. The table below shows the Executive KMP covered by the FY25 Remuneration Report.

Name	Position	Term	Country of Residence
Non-Executive Directors			
Graeme Barclay	Chair	Full Year	Australia
Sarah Adam-Gedge	Non-Executive Director	Full Year	Australia
Kathy Gramp	Non-Executive Director	Full Year	Australia
Heith Mackay-Cruise	Non-Executive Director	Full Year	Australia
Executive KMP			
Alf Ianniello	Chief Executive Officer and Managing Director	Full Year	Australia
Michael Barton	Chief Financial Officer and Company Secretary	Full Year	Australia
Ben Harvey	Executive General Manager, Minelab	Full Year	USA
Scott French	Executive General Manager, Zetron	Full Year	USA
Paul Sangster	Executive General Manager, DTC	Full Year	USA

Executive Remuneration Structure

Codan's remuneration framework for Executive KMP is in place to support our strategy and drive sustainable outperformance. Our remuneration framework must be globally competitive to attract, motivate and retain our top talent across our businesses. This is increasingly important as each of Codan's business units continue to grow, both organically and through acquisition, in countries outside of Australia.

Remuneration packages are competitively set to attract and retain appropriately experienced and qualified executives and include a mix of fixed remuneration and performance-based remuneration. Shareholder alignment is created through the performance-based incentives provided to executives, including equity-based remuneration.

Fixed remuneration is reviewed annually and gives our Executive KMP a competitive fixed salary and related benefits. Fixed salary levels reflect the executive's experience, capability, performance and potential and is set in relation to market conditions and relevant benchmarks. Executive KMP are eligible for certain benefits in line with our policies in the jurisdiction they are based in. These benefits include retirement contributions (such as statutory superannuation contributions) and basic insurances (such as disability, life and medical) where it is local market practice for employees in those countries. We may also provide benefits to support the global mobilisation of our executives.

Our Executive KMP remuneration framework has two variable components, being a short-term incentive plan (**STI**) and a long-term incentive plan (**LTI**).

The STI plan focusses the executive team on delivering the financial and strategic priorities relevant to the financial year. The plan motivates Executive KMP to achieve financial and operational targets and rewards them for outperformance against targets.

The LTI plan is equity based and rewards Executive KMP for creating long term shareholder value by delivering long term earnings growth and share price performance above peers. The LTI plan also includes a SPIR to motivate and reward Executive KMP to achieve exceptional long-term earnings growth.

The Remuneration and Nomination Committee reports to the Codan Board and has responsibility for the structure of remuneration paid to Executive KMP, can reference trends in comparative companies both locally and internationally and may obtain independent advice on the appropriateness of remuneration packages and incentive structures.

No independent recommendations in relation to the remuneration of Executive KMP were provided to the Committee or Board.

FY25 Executive KMP Remuneration Structure and Outcomes

CEO Remuneration

In FY24, the Board addressed the relatively low incentive package available to the CEO, and the particularly low percentage of long-term equity-based incentive remuneration. This was achieved through a combination of fixing base remuneration until FY26 (other than changes to statutory superannuation payments), setting higher vesting performance hurdles to achieve remuneration incentives at target and maximum for LTI and increasing the value of equity-based incentives available to the CEO, particularly at maximum.

The STI available in FY25 is 25% of fixed pay at target performance and 50% at maximum, with at least 50% of STI to be paid in equity, and 50% in either cash or equity at the CEO's election.

Based on external market comparatives, the Board considers target EPS growth in the range of 8% to 13% pa, with a midpoint on-target rate of 10.5% pa, compounding over three-year measurement periods, to be strongly aligned with delivering shareholder value over the medium to long term. These EPS growth rate targets formed the basis of the FY25 LTI plan.

The Board recognises, particularly with the investments that have been made to position the Communications business for growth and the continuing investments in Communications and Minelab product development pipelines, there is an opportunity for the Codan business to deliver superior returns for shareholders that are greater than compound annual growth of 13% in EPS over the next 3 years.

The leadership, contribution and performance of Mr Ianniello as CEO is vitally important to the Company executing the Building a Stronger Codan strategy and achieving EPS growth out performance. Following shareholder approval of the SPIR structure at the 2024 AGM, the Board granted SPIR to the CEO providing the opportunity to earn an additional 100% of his fixed salary (to be paid wholly in equity) if EPS compound annual growth above 21% is achieved over the three-year performance period of the LTI plan. Pro-rata applies between 14% and 21% EPS CAGR over the performance period.

Therefore, under the FY25 LTI plan the CEO has the opportunity to earn 100% of his fixed salary if 13% CAGR in EPS is achieved over the FY25 – FY27 period and, with the introduction of the SPIR, the opportunity to earn up to 200% of his fixed salary if the SPIR target of 21% EPS CAGR over the FY25 – FY27 period is achieved, with all LTI and SPIR paid in equity.

Other Executive KMP Remuneration

The FY25 SPIR plan has also been implemented for each Executive KMP reflecting the importance of aligning and rewarding the senior executive team consistently and fairly for out-performance against long term EPS growth targets. This means each Executive KMP (other than the CEO) has the opportunity to earn 50% of fixed salary if 13% CAGR in EPS is achieved over the FY25 – FY27 period and the opportunity to earn up to 150% of fixed salary if the SPIR target of 21% EPS CAGR over the FY25 – FY27 period is achieved, with all LTI and SPIR paid in equity.

Summary of KMP Remuneration Structure for FY25

Executive KMP remuneration for FY25 is:

- Performance based:
  - The remuneration for the CEO is 50% performance based at target and 71% performance based at maximum;
  - The remuneration for other Executive KMP is 47% performance based pay at target and 71% performance based at maximum.
- and is equity focussed:
  - at target 44% of the CEO's total remuneration is paid in equity, at maximum 64% of the CEO's total remuneration is paid in equity;
  - at target 20% of other Executive KMP's total remuneration is paid in equity, at maximum 42% of other Executive KMP is paid in equity.
- and multi-year focussed:
  - LTI performance (including SPIR) is measured over a three-year period;
  - Shares issued under the LTI scheme are subject to a further two-year holding lock for Australian based Executive KMP;
  - 10% good leaver holding provisions in place for all Executive KMP.

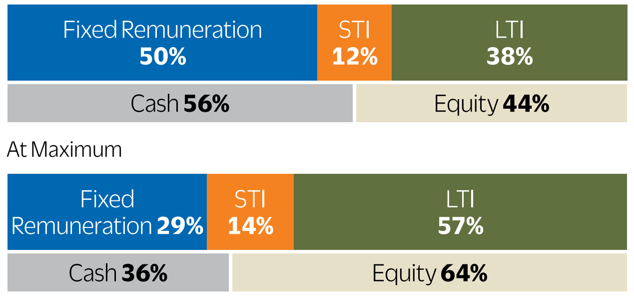
REMUNERATION REPORT – AUDITED (continued)

FY25 Executive KMP Remuneration Structure and Outcomes (continued)

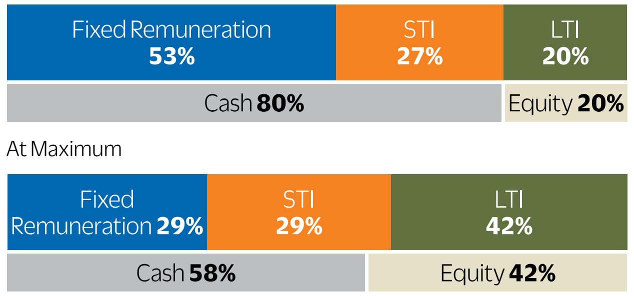
Summary of KMP Remuneration Structure for FY25 (continued)

The chart below sets out the percentage of fixed remuneration, performance-linked at-risk remuneration and the percentage of performance-linked equity-based remuneration for FY25.

CEO
At Target



Other Executive KMP
At Target



Fixed Remuneration Review

As noted above, other than for the change in superannuation guarantee charge, the CEO's fixed remuneration was not increased during FY25. The Remuneration and Nomination Committee completed a salary benchmarking exercise for Executive KMP during FY25. As a result, Executive KMP (other than the CEO) received an adjustment to fixed remuneration of 3.5% effective 1 January 2025.

FY25 Short Term Incentive

The STI structure is a balanced scorecard focussed on those aspects of the Company's performance in the FY25 annual plan within the control of the relevant member of Executive KMP that will impact the value of the Company, and is selected from the following metrics for each Executive KMP member: growth in revenues, profitability, operating free cash flow, order book (where applicable) and the achievement of sustainability and safety targets.

The framework for the FY25 STI plan is as follows:

Feature	Description			
Purpose:	Motivate and reward Executive KMP for contributing to the delivery of annual business performance.			
Value:	**Target**		**Maximum**	
	CEO	25% of fixed pay	CEO	50% of fixed pay
	Other Executive KMP	50% of fixed pay	Other Executive KMP	100% of fixed pay
	The CEO has lower STI and higher LTI than other Executive KMP to provide for better long-term alignment with shareholders.			
Eligibility:	All Executive KMP are eligible to participate in the STI plan. To be eligible for a payment executives must be employed at the time of the STI payment. The Board may exercise discretion when paying an STI to any Executive KMP who has been a "good leaver" during the year, with any payments likely to be made on a pro-rata basis.			
Delivery:	STI's are paid in cash, other than 50% of any STI for the CEO which will be paid in equity. The CEO has the option to have up to a further 50% of any STI paid in equity. Other Executive KMP have the option to elect to have up to 50% of their STI paid in equity on the same terms as the CEO. Shares issued to Executive KMP under the STI plan are restricted, with 90% restricted for a period of 1 year from issue date and 10% restricted until 12 months after the cessation of employment with the Company. The number of shares issued under the STI plan are calculated using the same share price that is used to calculate the number of share rights to be issued under the LTI plan, with this share price approved by shareholders at the FY24 Annual General Meeting. The price used for the FY25 STI that is to be paid in shares is $14.99 per share.			
Performance period:	1 year			
Setting performance objectives:	At the start of the financial year a scorecard of objectives is determined by the Board. At the end of the year the Board undertakes a rigorous assessment of actual performance against each of the metrics. The Board has the discretion to increase or decrease the STI allocated to any member of Executive KMP considering their individual performance, approach to business risks and adherence to Codan's values and code of conduct. Codan's performance against STI targets is disclosed retrospectively noting that the targets for future years are not disclosed as they are commercially sensitive.			

Feature	Description		
Performance Objectives (Group or Business Unit, as applicable):	**Measure**	**Rationale**	**Measurement**
	Revenue	Financial metric focussed on growth	Revenue growth
	Profitability	Financial metric that measures the performance of the business	Group EBIT Segment profit
	Cash flow	Financial metric focussed on cash generation	Operating and investing cashflows
	Order book	Financial metric that provides a lead indicator of future performance	Contracted orders received from customers
	Sustainability and Safety	Codan is committed to providing a safe work environment and operating in a sustainable manner	Measures include performance against agreed operational objectives
Individual performance objectives:	Each Executive KMP agreed to an individual scorecard of performance objectives at the start of FY25 against which their performance has been assessed. Individual performance objectives are selected from the above list, tailored to the specific responsibilities of the role. The weighting of financial performance objectives (which includes growth in revenue, profitability, cash flow and order book) for each Executive KMP was at least 80% of their STI for FY25.		
Threshold, target and maximum performance objectives:	For each of the financial performance objectives the Board has set a minimum performance threshold (usually between 80% and 90% of target levels), an on-target performance level (predominantly being the year's business plan) and a maximum level (typically greater than or equal to 110% of the target performance level).		
Percentage of STI depends on Actual Performance	**Performance against STI objectives**	**Percentage of STI Paid**	
	Less than Threshold	0%	
	Equal to Threshold	50%	
	More than Threshold, less than Target	Pro-rated vesting from 50% to 100%	
	Target	100%	
	More than Target, less than Maximum	Pro-rated vesting from 100% to 200%	
	Maximum	200%	
	The above percentages are calculated against the Target STI amount which is 25% of fixed pay for the CEO and 50% of fixed pay for other Executive KMP. Whilst the overall STI outcome is capped at 2x on-target, individual metrics are capped at 2.5x on-target.		

FY25 Short Term Incentive Targets and Outcomes

Codan achieved strong financial performance in FY25. Revenues increased from $550 million to $674 million (growth of 22%), EBIT increased 28% to $146 million and Net Profit after Tax increased from $81 million to $104 million (growth of 27%). Strong growth was achieved by both the Communications and Metal Detection businesses. A leading indicator of growth is the customer order book for our Communications business which increased from $197 million to $253 million (growth of 28%). Our cash generation was strong at $146.6 million versus last year of $106.5 million. Operationally, we have continued to progress our ESG initiatives and have provided a safe work environment for our staff. Overall, the STI outcome for our Executive KMP is aligned with Codan's financial and operational performance for FY25. The CEO has elected to take 100% of his FY25 STI in equity.

REMUNERATION REPORT – AUDITED (continued)

FY25 Executive KMP Remuneration Structure and Outcomes (continued)

FY25 Short Term Incentive Targets and Outcomes (continued)

The FY25 STI performance measures for our Executive KMP are disclosed below:

CEO & CFO	Weighting	Target	Actual Result	Performance	STI Outcome
Group EBIT	70%	$134 million	$145 million	Achieved	184%
Cash Generation	20%	$51 million	$81 million	Achieved	235%
Environmental, Social, Governance and Safety	10%	Safety metrics and ESG objectives	All metrics were achieved	Achieved	100%
	100%				**186%**

Group EBIT is measured after the impact of finance charges on lease liabilities and before the impact of FY25 acquisitions and unbudgeted integration costs and acquisition pursuit expenses. Codan's group EBIT on this basis increased from $108 million in FY24 to $145 million in FY25 an increase of 34%. The financial results of the Kägwerks acquisition from December 2024 and unbudgeted acquisition and integration costs incurred in FY25 were removed from both the target and the actual to determine the outcome of this profitability measure for STI purposes. Cash generation for the Codan group is measured by considering operating and investing activities (excluding acquisitions of subsidiaries) which increased from $51 million in FY24 to $81 million in FY25 an increase of 59% over the pcp. The Environmental, Social, Governance and Safety objective related to determining our carbon footprint, identifying and delivering environmental improvements and maintaining a safe work environment for our employees, implementing a group-wide safety management system and experiencing no major injuries.

Communications	Weighting	Target	Actual Result	Performance	STI Outcome
Sales	20%	$371 million	$413 million	Achieved	214%
Segment Result	32.5%	$100 million	$108 million	Achieved	185%
Cash Generation	7.5%	$58 million	$60 million	Achieved	132%
Order Book	7.5%	$224 million	$253 million	Achieved	195%
Acquisitions	12.5%	$22 million	$24 million	Achieved	133%
Group EBIT	20%	$134 million	$145 million	Achieved	184%
	100%				**181%**

The actual results for the above balanced scorecard metrics (other than Group EBIT) are for the Communications segment as a whole inclusive of FY25 acquisitions. The STI performance measures for our Executive KMP are specific to the business performance for the portion of the business that they lead and the financial targets for the Communications business are set and measured in United States dollars. Therefore, the STI outcomes for each Executive KMP may vary to the above disclosed results. The Communications business delivered a strong result in FY25 with sales growth of 26%, profit growth of 34%, cash generation growth of 76% and order book growth of 28% versus FY24. The acquisitions metric related to the FY25 profitability of the acquisitions made in the FY24 and FY25 years.

Metal Detection	Weighting	Target	Actual Result	Performance	STI Outcome
Sales	30%	$238 million	$255 million	Achieved	175%
Segment Result	35%	$89 million	$98 million	Achieved	203%
Cash Generation	15%	$73 million	$91 million	Achieved	250%
Group EBIT	20%	$134 million	$145 million	Achieved	184%
	100%				**198%**

The metal detection segment delivered a strong result in FY25 with sales growth of 16%, profit growth of 26% and excellent cash generation.

The following table provides the FY25 STI outcomes for Executive KMP:

KMP	STI at Target $	STI at Maximum $	STI Achieved $	STI as a % of Maximum	STI % Not Achieved
A Ianniello	254,290	508,581	473,946	93%	7%
M Barton	216,125	432,250	402,814	93%	7%
B Harvey	310,898	621,797	615,486	99%	1%
S French	328,015	656,031	308,236	47%	53%
P Sangster	328,015	656,031	610,010	93%	7%

All STI payments to Executive KMP are subject to Board discretion so the above STI outcomes can vary to the results of the disclosed STI performance measures. In FY25, the Board has not exercised any discretion to increase or decrease the quantum of the STI outcomes.

FY25 Long Term Incentive (LTI)

The LTI structure is focussed on long term performance being delivered for shareholders with reference to growth in EPS and RTSR metric, measured over a three-year period and is designed to motivate superior performance and to retain Executive KMP.

The key change to the LTI structure for FY25 versus the prior year relate to the addition of a Superior Performance Incentive Rights (SPIR) grant to Executive KMP, explained below.

The framework for the FY25 LTI plan, is as follows:

Feature	Description
Purpose:	The purpose of the LTI plan is to focus the CEO and other Executive KMP on the creation of sustainable long term shareholder value. It rewards executives for delivering long term earnings performance above a minimum target and for creating value for shareholders with shareholder returns at above the 50th percentile of a selected peer group of ASX listed companies. It encourages Executive KMP to remain employed by Codan and aligns their interests with those of shareholders.
Face value (excluding SPIR):	**Threshold** CEO 50% of fixed pay Other Executive KMP 25% of fixed pay **Target** CEO 75% of fixed pay Other Executive KMP 37.5% of fixed pay **Maximum** CEO 100% of fixed pay Other Executive KMP 50% of fixed pay
	This represents the face value of the equity should performance targets be achieved. The value ultimately received by Executive KMP will depend on the Codan share price at the time of vesting. The CEO has a higher LTI incentive, relative to other Executive KMP, to increase alignment of his long-term, equity-based financial reward with shareholders.
Eligibility:	All Executive KMP are eligible to participate in the LTI plan. To be eligible for a grant of performance rights they must have been employed at the beginning of the performance period i.e. 1 July before the grant of that year's performance rights. The Board may exercise discretion for executives employed after 1 July in a year and may consider issuing performance rights on a pro rata basis.
Instrument:	Performance rights
Performance period:	3 years, ending 30 June 2027
Number of performance rights:	The number of rights granted is determined by dividing the relevant LTI percentage of the Executive KMP's fixed salary as of 1 July 2024 by the volume weighted average of the Company's share price in the five days after the release of the Codan group's annual results for FY24 which was $14.99.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

FY25 Executive KMP Remuneration Structure and Outcomes (continued)

FY25 Long Term Incentive (continued)

Feature | **Description**

Summary of performance conditions:

The LTI will be assessed against two independent performance metrics being EPS growth and RTSR.

EPS growth performance hurdle: 67% weighting

An EPS growth metric provides a clear line of sight between executive performance and Codan's financial performance over the long term. It is also well understood by the Codan executive team and our shareholders. The Board may adjust the underlying NPAT used to measure performance against the LTI plan where it deems it appropriate to do so, for example as a result of major transactions, such as an acquisition or divestment, or other significant one-off type items.

To measure EPS, the Codan Group NPAT is divided by the weighted average number of Codan ordinary shares on issue during the financial year. To measure growth in EPS, the EPS in the financial year immediately preceding the grant (FY24) is compared with the EPS achieved in the measurement year, being Year 3 (FY27). To set the FY27 target the Board has used the EPS performance for FY24 of 45.0 cents per share.

Performance rights vest if the EPS achieved in the measurement year exceeds a threshold with all rights vesting if a maximum EPS is achieved. The threshold, target and maximum EPS were calculated by applying a compounding annual growth rate between 8% and 13% to the baseline EPS.

This is represented in the below table:

	Threshold	Target	Maximum
Base EPS (FY24) (cents)	45.0	45.0	45.0
Compound annual growth rate	8%	10.5%	13%
FY27 (measurement year) (cents)	56.7	60.7	64.9

The vesting schedule of the rights subject to the EPS growth hurdle is as follows:

EPS annual compounding growth	Percentage of rights vested
Less than Threshold	0%
Threshold	50% of maximum
More than Threshold less than Maximum	Pro-rated from 50% to 100%
At or greater than Maximum	100% of maximum

The Board retains full discretion to determine, amend and calculate the vesting outcomes.

RTSR performance hurdle: 33% weighting

This RTSR measure represents the relative change in the value of Codan's share price over a period including reinvested dividends, compared to the constituents of a peer group. The change is expressed as a percentage on the opening value of the shares and then ranked as a percentile compared to the peer group. The Board has chosen a RTSR measure as it provides an appropriate comparative measure of shareholder return, reflecting an investor's choice to invest in Codan versus another peer group entity. Executive KMP will only derive value from the RTSR component of the LTI plan if Codan's RTSR performance is at least at the 50th percentile of companies in the peer comparison group measured over the three-year period.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Feature | **Description**

The vesting schedule of the rights subject to the RTSR hurdle is as follows:

RTSR	Percentage of rights vesting
Less than 50% Threshold percentile	0%
Threshold is achieved at the 50th percentile	50% of maximum
More than Threshold less than 75% Maximum percentile	Pro-rated from 50% to 100%
Maximum is achieved at the 75th percentile	100% of maximum

For the FY25 rights grant the peer group of companies is companies listed on the ASX within 50% and 200% of Codan's 12-month average market capitalisation as at 30 June 2024, with industry exclusions being any companies in the peer group from the Materials, Finance and Energy GICS sectors.

The Board may adjust the peer group constituents to take account of events that happen during the performance period, for example, the impact of corporate activity such as takeovers, mergers or de-listings. The Board retains full discretion to determine, amend and calculate the vesting outcomes.

Superior Performance Incentive Rights:

The Superior Performance Incentive Rights (**SPIR**) issued to Executive KMP are an additional award of rights to incentivise Executive KMP to deliver superior financial performance for Codan shareholders above the 13% EPS CAGR noted above.

The structure of the SPIR is that for every +1% EPS CAGR at and above 14% over the three-year measurement period Executive KMP will be granted one eighth of the SPIR value, up to a maximum equal to the Executive KMP's fixed salary for the achievement of 21% EPS CAGR. The maximum SPIR value for each Executive KMP equals that Executive KMP's fixed salary for FY25.

This is represented in the below table:

	Threshold	Maximum
Base EPS (FY24) (cents)	45.0	45.0
Compound annual growth rate	14%	21%
FY27 (measurement year) (cents)	66.7	79.7

The vesting schedule of the SPIR subject to these EPS growth hurdles is as follows:

EPS annual compounding growth	Percentage of rights vested
Less than 14%	0%
At 14%	12.5% of maximum
More than 14% less than 21%	Pro-rated from 12.5% to 100%
At or greater than 21%	100% of maximum

The Board retains full discretion to determine, amend and calculate the vesting outcomes for the SPIR.

The other terms and conditions for the SPIR are consistent with those set out in the table for the FY25 LTI plan.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

FY25 Executive KMP Remuneration Structure and Outcomes (continued)

FY25 Long Term Incentive (continued)

Feature	Description
Conversion to shares:	If vested, each performance right is exercisable into one ordinary share in the Company, at nil exercise price, and the Executive KMP has a twelve-month period following vesting to do this. Shares allocated to Executive KMP upon exercise of the performance rights rank equally with all other ordinary shares on issue. Where the shares are subject to further restrictions, they cannot be sold before the restriction period ends. They may still be forfeited in certain circumstances.
Restriction periods:	Of the shares granted to Executive KMP, 90% remain restricted for a further two years after vesting whereby Executive KMP are prohibited from trading the shares. This two-year restriction period does not apply to our overseas based Executive KMP due to local taxation regulations. The remaining 10% of shares are subject to a "good leaver" clause such that they remain at risk of forfeiture at the Board's discretion until twelve months after the Executive KMP leaves the employment of Codan.
Leaver provisions:	Performance rights vest subject to Board approval and the Executive KMP remaining an employee of the Group on the vesting date. In certain circumstances the Board may exercise discretion and allow a good leaver to retain their unvested performance rights in whole or part. If the Board does exercise this discretion the Board will determine the conditions and timing of when that vesting may occur. The Board generally would only exercise this discretion in circumstances such as permanent disability, retirement and redundancy, consistent with the notion of a good leaver.
Clawback provisions:	Any performance rights on issue to an Executive KMP will lapse immediately on termination of the executive from the employment of Codan for reasons of misconduct. Any shares issued to an Executive KMP under the LTI plan remain at risk of forfeiture while they remain restricted. Forfeiture of the shares will occur if the Executive KMP: • Perpetrates fraud, • Acts dishonestly, • Commits a breach of the executive's obligations to Codan, • Provides services to a competitor of Codan, • Engages in activity that in the opinion of the Board is detrimental to Codan.
Other equity provisions:	Performance rights issued to Executive KMP carry: • no voting or dividend entitlements, • no entitlement to participate in new share issues other than bonus issues (when the Board may adjust the number of rights in accordance with ASX Listing Rules to make sure that there is no advantage or disadvantage to the executive), • no automatic entitlement to shares in the event of a change in control event for Codan, with the Board to exercise discretion in these circumstances.

Non-Executive Directors Fee Structure

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2024 AGM, is not to exceed $1,200,000 per annum. Non-executive directors do not receive any performance-related remuneration, nor are they issued options on securities. Directors' fees cover all main board activities and membership of board committees.

Details of each NED's total remuneration package (including superannuation) for the FY25 year, following an external benchmarking exercise completed during 1H FY25, are set out below. These FY25 fees are inclusive of Committee chair and Committee member roles for each director.

Director	FY25 Fees (inclusive of superannuation)
Graeme Barclay (Chair)	$250,000
Kathryn Gramp	$165,000
Sarah Adam-Gedge	$140,000
Heith Mackay-Cruise	$140,000

Service contracts

It is the group's policy that service contracts for Executive KMP are unlimited in term but capable of termination on three to six months' notice, and that the group retains the right to terminate the contract immediately by making payment in lieu of notice. The group has entered a service contract with each Executive KMP.

Executive KMP are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave with the Board to exercise discretion regarding any entitlement to variable components of their remuneration.

Other transactions with key management personnel

There have been no loans to key management personnel or their related parties during the financial year.

From time to time, directors and Executive KMP, or their personally related entities, may purchase goods from the group. These purchases occur within a normal employee relationship and are trivial in nature.

Director share ownership

The Directors' Shareholding Policy requires directors to build a minimum shareholding in the Company. For non-executive directors, this minimum shareholding should equate to their annual director fee and for executive directors their annual fixed remuneration. Under the policy, directors have five years to reach the minimum holding. All directors are in compliance with the policy.

Remuneration Tables (Statutory Disclosures)

Corporate performance

As required by the *Corporations Act 2001* (Cth), the following information is presented:

	2025	2024	2023	2022	2021
Revenue ($000)	**$674,226**	$550,459	$456,468	$506,145	$437,049
Earnings before interest and taxes ($000)	**$145,972**	$113,927	$87,964	$137,402	$139,802
Profit attributable to shareholders ($000)	**$103,493**	$81,387	$67,774	$100,736	$90,351
Dividends paid ($000)	**$44,483**	$36,263	$43,480	$53,361	$38,809
Share price at 30 June	**$20.11**	$12.03	$8.03	$6.96	$18.03
Increase(Decrease) in share price at 30 June	**$8.08**	$4.00	$1.07	($11.07)	$10.94
Earnings per share, fully diluted	**56.8c**	44.8c	37.4c	55.6c	49.8c

CODAN LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Remuneration Tables (Statutory Disclosures) (continued)

Directors' and Executive KMP remuneration

Details of the nature and amount of each major element of the remuneration paid or payable to each director of the Company and other key management personnel of the group are:

Directors	Year	Salary and Fees* $	Short-term incentives $	Other short-term $	Post-employment and superannuation contributions $	Other long-term $	Termination benefits $	Performance rights $	Total $	Proportion of remuneration performance related %
Non-Executive										
Mr G Barclay	**2025**	**224,215**	**–**	**–**	**25,785**	**–**	**–**	**–**	**250,000**	**–**
	2024	192,280	–	–	21,151	–	–	–	213,431	
Ms K Gramp	**2025**	**147,982**	**–**	**–**	**17,018**	**–**	**–**	**–**	**165,000**	**–**
	2024	104,880	–	–	11,537	–	–	–	116,417	–
Ms S Adam-Gedge	**2025**	**125,561**	**–**	**–**	**14,439**	**–**	**–**	**–**	**140,000**	**–**
	2024	96,141	–	–	10,575	–	–	–	106,716	–
Mr H Mackay-Cruise	**2025**	**125,561**	**–**	**–**	**14,439**	**–**	**–**	**–**	**140,000**	**–**
	2024	96,141	–	–	10,575	–	–	–	106,716	–
Total non-executives' remuneration	**2025**	**623,319**	**–**	**–**	**71,681**	**–**	**–**	**–**	**695,000**	**–**
	2024	489,442	–	–	53,838	–	–	–	543,280	–
Executive Director										
Mr A Ianniello	**2025**	**1,017,616**	**473,946**	**–**	**28,750**	**24,960**	**–**	**627,354**	**2,172,626**	**50.7**
	2024	973,242	341,222	–	27,500	24,791	–	126,083	1,492,838	31.3
Total directors' remuneration	**2025**	**1,640,935**	**476,946**	**–**	**100,431**	**24,960**	**–**	**627,354**	**2,867,626**	**–**
	2024	1,462,684	341,222	–	81,338	24,791	–	126,083	2,036,118	–

* Salary and fees includes the salary sacrificed amounts to participate in the non-executive director share rights plan.

Executive officers	Year	Salary and Fees $	Short-term incentives $	Other short-term* $	Post-employment and superannuation contributions $	Other long-term $	Termination benefits $	Performance rights $	Total $	Proportion of remuneration performance related %
Mr M Barton (Chief Financial Officer and Company Secretary)	**2025**	**391,663**	**402,814**	**–**	**28,750**	**17,876**	**–**	**68,317**	**909,420**	**51.8**
	2024	370,229	227,905	–	27,500	24,362	–	38,529	688,525	38.7
Mr B Harvey (Executive General Manager, Minelab)	**2025**	**634,925**	**615,486**	**53,520**	**28,509**	**–**	**–**	**107,662**	**1,440,102**	**50.2**
	2024	416,322	406,117	39,837	13,854	–	–	36,989	913,119	48.5
Mr S French (Executive General Manager, Zetron)	**2025**	**665,572**	**308,236**	**39,716**	**17,063**	**–**	**–**	**334,092**	**1,364,679**	**47.1**
	2024	632,356	360,499	30,740	21,313	–	–	296,165	1,341,073	49.0
Mr S Sangster (Executive General Manager, DTC)	**2025**	**672,276**	**610,010**	**–**	**17,207**	**–**	**–**	**334,092**	**1,633,585**	**57.8**
	2024	659,994	314,216	–	15,711	–	–	291,725	1,281,646	47.3
Total Executive KMP remuneration	**2025**	**2,364,436**	**1,936,546**	**93,236**	**91,529**	**17,876**	**–**	**844,163**	**5,347,786**	**–**
	2024	2,078,901	1,308,737	70,577	78,378	24,362	–	663,408	4,224,363	–

* Other short-term benefits relate to costs incurred for arrangements made following the executives' relocation from an overseas country to the location of their employment with Codan.

Executive KMP outside of Australia are paid in their local currencies. The Australian dollar equivalents are calculated using average exchange rates for the financial year.

The remuneration amounts disclosed above have been calculated based on the expense to the Company for the financial year. Therefore, items such as performance rights, annual leave and long service leave taken and provided for have been included in the calculations. As a result, the remuneration disclosed may not equal the salary package as agreed with the Executive KMP in any one year.

Other than performance rights, no options or shares were issued during the year as compensation for any key management personnel.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Remuneration Tables (Statutory Disclosures) (continued)

Movements in shares

The movement during the reporting period in the number of ordinary shares in Codan Limited, held directly, indirectly, or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2024	Excercised performance rights	Excercised Director share rights	Other changes*	Held at 30 June 2025
Directors					
Mr G Barclay	123,752	–	2,392	–	126,144
Mr A Ianniello	41,120	16,305	–	44,971	102,396
Ms K Gramp	28,000	–	3,290	–	31,290
Ms S Adam-Gedge	13,000	–	5,583	–	18,583
Mr H Mackay-Cruise	19,500	–	4,187	–	23,687
Executive KMP					
Mr M Barton	132,130	10,124	–	(24,982)	117,272
Mr B Harvey	1,389	3,499	–	23,612	28,500
Mr S French	60,484	12,688	–	23,755	96,927
Mr S Sangster	103,268	12,126	–	6,554	121,948

*Other changes represent shares that were purchased, sold or issued in relation to the equity component of the FY24 STI plan during the year.

Non-executive Director share rights

As approved at the 2024 AGM the Company has established a share rights plan to allow non-executive directors to sacrifice a percentage of their director fees into rights. This plan was established to assist non-executive directors to build their share ownership in the Company.

Under this plan non-executive directors may elect to sacrifice between 20% - 100% of their pre-tax annual director fee. In return they receive share rights which become exercisable into fully paid ordinary shares. The value per share right was $14.99 in FY25 which was the volume weighted average of the Company's share price in the 5 days after the release of the annual results for FY24.

The movement in non-executive director share rights in the year ended 30 June 2025 was as follows:

	Held at 1 July 2024	Issued share rights	Excercised share rights	Other changes*	Held at 30 June 2025
Directors					
Mr G Barclay	–	2,392	(2,392)	–	–
Ms K Gramp	–	3,290	(3,290)	–	–
Ms S Adam-Gedge	–	5,583	(5,583)	–	–
Mr H Mackay-Cruise	–	4,187	(4,187)	–	–

Performance rights issued

Details of performance rights granted to Executive KMP during the year are as follows:

	Number of performance rights granted during year	Grant date	Average fair value per right at grant date ($)	Exercise price per right ($)	Vesting date	Number of rights vested during year
Directors						
Mr A Ianniello	134,385	8 November 2024	12.13	–	30 June 2027	–
Executive KMP						
Mr M Barton	43,248	23 June 2025	16.30	–	30 June 2027	–
Mr B Harvey	63,767	23 June 2025	18.49	–	30 June 2027	–
Mr S French	67,277	23 June 2025	18.49	–	30 June 2027	–
Mr S Sangster	67,277	23 June 2025	18.49	–	30 June 2027	–

Details of vesting profiles of performance rights granted to Executive KMP as at 30 June 2025 are detailed below:

	Performance rights granted Number	Date	Percentage vested in year	Percentage forfeited in year	Financial years in which shares will be issued if vesting achieved
Director					
Mr A Ianniello	16,305	25 November 2022	100	0	2025
	40,714	25 November 2022	–	–	2026
	99,809	25 October 2023	–	–	2027
	134,385	8 November 2024	–	–	2028
Executive KMP					
Mr M Barton	10,124	6 December 2021	100	0	2025
	25,899	17 February 2023	–	–	2026
	25,391	25 January 2024	–	–	2027
	43,248	23 June 2025	–	–	2028
Mr B Harvey	3,499	6 December 2021	100	0	2025
	8,285	17 February 2023	–	–	2026
	35,579	25 January 2024	–	–	2027
	63,767	23 June 2025	–	–	2028
Mr S French	12,688	6 December 2021	100	0	2025
	116,254	17 February 2023	–	–	2026
	37,500	17 February 2023	–	–	2028
	40,089	25 January 2024	–	–	2027
	67,277	23 June 2025	–	–	2028
Mr S Sangster	12,126	6 December 2021	100	0	2025
	119,426	17 February 2023	–	–	2026
	37,500	17 February 2023	–	–	2028
	40,089	25 January 2024	–	–	2027
	67,277	23 June 2025	–	–	2028

Performance rights issued in financial year 2025

The Company issued 134,385 performance rights in relation to the FY25 LTI plan to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average $13.12, based on the Black-Scholes formula. The model inputs were the share price of $15.80, no exercise price, expected volatility 45.1%, dividend yield 1.3%, a term of three years and a risk-free rate of 4.3%. For the RTSR performance hurdle, the fair value of the rights was on average $10.13, based on the Monte Carlo simulation method. The model inputs were the share price of $15.80, expected volatility 45.1%, dividend yield 1.3%, a risk-free rate of 4.3%, performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and vesting schedule applicable to the Chief Executive Officer.

The Company issued 241,569 performance rights in June 2025 to other Executive KMP. For the EPS growth performance hurdle, the fair value of the rights was on average $18.85, based on the Black-Scholes Formula. The model inputs were the share price of $20.10, no exercise price, expected volatility 38.9%, dividend yield 1.1%, a term of three years and a risk-free rate of 4.2%. For the RTSR performance hurdle, the fair value of the rights was on average $16.57, based on the Monte Carlo simulation method. The model inputs were the share price of $20.10, expected volatility 38.9%, dividend yield 1.1%, a risk-free rate of 4.2%, performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and vesting schedule applicable to other Executive KMP.

The performance rights become exercisable if certain performance targets are achieved. These performance targets, explained more fully earlier in the report, relate to growth of the group's earnings per share and a Relative Total Shareholder Return metric. These are measured over a three-year performance period.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Remuneration Tables (Statutory Disclosures) (continued)

Performance rights issued in financial year 2024

The Company issued 99,809 performance rights in relation to the FY24 LTI plan to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average $6.74, based on the Black-Scholes formula. The model inputs were the share price of $8.13, no exercise price, expected volatility 49.5%, dividend yield 2.28%, a term of three years and a risk-free rate of 4.63%. For the RTSR performance hurdle, the fair value of the rights was on average $4.88, based on the Monte Carlo simulation method. The model inputs were the share price of $8.13, expected volatility 49.5%, dividend yield 2.28%, a risk-free rate of 4.63%, performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and vesting schedule applicable to the Chief Executive Officer.

The Company issued 141,148 performance rights in February 2024 to other Executive KMP. For the EPS growth performance hurdle, the fair value of the rights was on average $7.25, based on the Black-Scholes Formula. The model inputs were the share price of $7.95, no exercise price, expected volatility 48.1%, dividend yield 2.33%, a term of three years and a risk-free rate of 4.54%. For the RTSR performance hurdle, the fair value of the rights was on average $4.43, based on the Monte Carlo simulation method. The model inputs were the share price of $7.95, expected volatility 48.1%, dividend yield 2.33%, a risk-free rate of 4.15%, performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and vesting schedule applicable to other Executive KMP.

The performance rights become exercisable if certain performance targets are achieved. These performance targets, explained more fully earlier in the report, relate to growth of the group's earnings per share and a Relative Total Shareholder Return metric. These are measured over a three-year performance period.

Performance rights issued in financial year 2023

The Company issued 40,714 performance rights in relation to the FY23 long term incentive plan and 16,305 performance rights in relation to the FY22 plan in November 2022 to the Chief Executive Officer. The FY22 issue was a pro rata issue given the Chief Executive Officer commenced employment part way through that year. The fair value of the rights was on average $3.24, based on the Black-Scholes formula. The model inputs were the share price of $3.98, no exercise price, expected volatility 53%, dividend yield 7.04%, a term of three years for the FY23 issue and a term of two years for the FY22 issue and a risk-free rate of 3.6%. The Company issued 367,075 performance rights in February 2023 to other Executive KMP. The fair value of the rights was on average $4.62, based on the Black-Scholes Formula. The model inputs were the share price of $5.48, no exercise price, expected volatility 53%, dividend yield 5.11%, a term of three years and a risk-free rate of 3.6%.

The FY23 LTI plan performance rights that were based on the financial performance of Codan Limited did not vest following the end of the three-year performance period on 30 June 2025 as the aggregate EPS achieved over the performance period was 139.6 cents, which is below the threshold of 150.6 cents target required for any vesting of performance rights to shares. This will be shown in the FY26 remuneration report.

The FY23 LTI plan included the issue of 125,000 performance rights to each Executive KMP who lead our Communications business (EGM of DTC and EGM of Zetron), in total 250,000 performance rights. Of these rights, 175,000 had financial performance measures specific to the Communications business for the three-year performance period ending on 30 June 2025 and 75,000 had service conditions. Over the three-year performance period applying to this grant, the Communications division has increased revenues by 71% from $242 million in FY22 to $413 million in FY25 and increased profitability by 116% from $50 million to $108 million. As a result, the performance condition to vesting of 175,000 share rights that were based on financial performance will fully vest in August 2025. This will be shown in the FY26 remuneration report. 75,000 share rights remain unvested subject to the service condition period ending in January 2027.

Movement in performance rights

The movements during the reporting period in the number of performance rights over ordinary shares in Codan Limited, held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2024	Issued	Exercised	Lapsed	Held at 30 June 2025
Directors					
Mr A Ianniello	156,828	134,385	16,305	–	274,908
Executive KMP					
Mr M Barton	61,414	43,248	10,124	–	94,538
Mr B Harvey*	47,363	63,767	3,499	–	107,631
Mr S French	206,531	67,277	12,688	–	261,120
Mr S Sangster	209,141	67,277	12,126	–	264,292

There are no performance rights that have vested as at 30 June 2025 that have not been exercised.

OPERATING AND FINANCIAL REVIEW

Codan is a technology company that provides robust technology solutions that solve customers' communications, safety, security, and productivity problems in some of the harshest environments around the world. Our customers include United Nations organisations, security and military agencies, government departments, major corporates as well as individual consumers and small-scale miners.

FY25 Highlights:

- Group financial performance:
  - Group revenue of $674.2 million, up 22% versus prior corresponding period ("pcp");
  - Earnings before interest and tax of $146.0 million, up 28% versus pcp; and
  - Net profit after tax of $103.5 million, up 27% versus pcp.
- Communications business performance:
  - Revenue of $413.5 million, up 26% versus pcp;
  - Segment profit grew to $107.9 million, up 34% versus pcp; and
  - Expanding orderbook of $253 million, up 28% versus 30 June 2024.
- Metal detection business performance:
  - Revenue of $254.8 million up 16% versus pcp; and
  - Segment profit of $98.2 million, up 26% versus pcp.
- Net debt reduced to $78.3 million at 30 June 2025, a reduction of $45.8 million from $124.1 million at 31 December 2024.
- Earnings per share of 57.1 cents, up 27% versus pcp.
- FY25 fully franked dividend of 28.5 cents, up 27% versus FY24 (interim 12.5 cents, final 16.0 cents).

FY25 was a year of strong performance for Codan, and we are pleased to report that we achieved significant growth across the Group. In an environment of ongoing global uncertainty, our teams executed on their plans with focus, delivering improved revenue, earnings and cash generation. These results are a testament to our strategy and our continued investment in innovation, capability and customer relationships. With our disciplined approach and a strengthened balance sheet, Codan is well positioned to pursue future opportunities from a position of confidence.

As we look ahead, we remain committed to building a stronger Codan - investing in innovation, broadening our capabilities, and delivering long-term value to our shareholders.

Dividend

The Company announced a final dividend of 16.0 cents per share, fully franked, bringing the full-year dividend to 28.5 cents. This dividend has a record date of 3 September 2025 and will be paid on 17 September 2025.

Financial performance and other matters

	FY25		FY24	
	$m	% of revenue	$m	% of revenue
Revenue				
Communications	**413.5**	**61.3%**	326.9	59.4%
Metal Detection	**254.8**	**37.9%**	219.9	40.0%
Other	**5.9**	**0.8%**	3.7	0.6%
Total revenue	**674.2**	**100%**	550.5	100%
Business performance				
EBITDA	**183.7**	**27.2%**	147.0	26.7%
EBIT	**146.0**	**21.7%**	113.9	20.7%
Interest	**(12.1)**		(9.4)	
Net profit before tax	**133.9**	**19.9%**	104.5	19.0%
Taxation	**(30.4)**		(23.2)	
Net profit after tax	**103.5**	**15.3%**	81.3	**14.8%**
Statutory earnings per share, basic	**57.1 cents**		45.0 cents	
Ordinary dividend per share	**28.5 cents**		22.5 cents	

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Financial performance and other matters (continued)

At a Group level, year-on-year revenue grew 22%, reflecting strong organic growth, supplemented by recently acquired Kägwerks. All key profitability metrics improved on FY24, with EBIT and NPAT increasing by 28% and 27% respectively. Notably, these profit metrics are after expensing approximately $5 million (pre-tax) of non-recurring acquisition pursuit and due diligence costs, including the acquisition of Kägwerks and other opportunities that were meaningfully evaluated, but not pursued during the financial year, consistent with Codan's strategic objectives.

Net debt reduced $45.8 million to $78.3 million as at 30 June 2025, down from $124.1 million at 31 December 2024. This reduction reflects strong second half cash generation and working capital management.

Subsequent to year-end, Codan has increased and extended its existing bank facility to $250 million (from $170 million), with a further $150 million in accordion capacity available subject to bank approval. The facility now matures in September 2028. These facilities provide Codan with further financial flexibility to pursue future inorganic growth initiatives. The Company continues to assess acquisitions that enhance the quality and predictability of Group revenues, with a primary focus on opportunities in Communications markets that complement our technology, accelerate our product roadmaps, or extend our customer portfolio as well as providing longer-term earnings visibility.

Communications (DTC & Zetron)

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

In FY25, Communications' revenue grew 26% to $413.5 million, driven primarily by organic growth of 19%, well above the targeted 10 to 15% range. Revenue from defence customers now represents 38% of total Communications revenue, and this vertical is a key long-term target market. Communications' segment profit increased by 34% to $107.9 million whilst segment profit margins (excluding Kägwerks) expanded to 27%, up from 25% in the prior corresponding period, reflecting operating leverage as the business continues to scale. The Company remains focused on achieving additional operating leverage, targeting a 30% segment profit margin in the Communications segment by the end of FY27, while continuing to invest in product development to support long-term growth.

Communications' orderbook grew to $253 million as at 30 June 2025 (+28% versus 30 June 2024), providing a solid foundation heading into FY26.

DTC, formerly Tactical Communications, delivered an exceptionally strong result in FY25, underpinned by growing global defence expenditure - particularly in unmanned systems - and continued momentum in law enforcement verticals. The business continues to benefit from its leading MESH radio technology and solutions, which offers robust, high-performance communications in harsh and contested environments. DTC's compact, lightweight and power-efficient solutions remain well-suited to mission-critical use cases where size, weight and power are critical to operational performance. This is particularly relevant in unmanned systems, where DTC delivered approximately $100 million in revenue during FY25, more than doubling prior year's result.

As global defence budgets increase, DTC's presence in the UK, US and Australia provides a strategic advantage in capturing long-term communications programs across North America, the Five Eyes alliance, and other NATO-aligned markets. We have a strong pipeline of opportunities, underpinning our continuing investment in the DTC communications platform.

In December 2024, Codan acquired Kägwerks, a U.S. based leader in operator-worn communications systems. Kägwerks provides lightweight, soldier-worn network DOCKs that integrate multiple tactical technologies into a single, user-friendly platform. This acquisition has strengthened Codan's position in the global military communications market by expanding its presence in the U.S. defence ecosystem and providing access to the funded Nett Warrior Program of Record. In line with our acquisition expectations, Kägwerks delivered $24 million in revenue in our 7 months of ownership in FY25. Initially, the timing of revenues will be dependent on the Nett Warrior program. Integration activities are focused on broadening the Kägwerks sales teams to enable expansion into DTC's broader customer base across North America and in particular international markets.

Zetron's EMEA and Asia Pacific business grew strongly in FY25, delivering growth within our targeted 10 to 15% range. Key highlights include a 10-year, $14 million nationwide public safety contract in Australasia, alongside several smaller wins - such as ACOM adoption by a major UK airline and a CallTouch deployment on a key rail corridor linking London to South Wales. In the U.S. market, growth was adversely impacted by ongoing government reviews and delays in funding for government-funded agency opportunities, which moderated 2H performance and near-term momentum. Despite this, Zetron recently secured a 10-year, $19 million contract with one of the largest utilities on the U.S. East Coast, servicing 3.3 million customers. The business continues its focus on innovation and customer-driven solutions, with ongoing R&D investment advancing command and control capabilities and product suite upgrades to deliver seamless, integrated user experiences.

In summary, Communications remains well-positioned for growth, supported by ongoing investment in business development and engineering capabilities.

Metal Detection (Minelab)

Minelab is the world leader in the handheld metal detection industry for recreational, gold prospecting, demining and military markets. Over the past 30 years Minelab has led the category in innovation and has driven metal detection performance to new levels of technological excellence.

Minelab achieved full-year revenue of $254.8 million, an increase of 16% versus the prior corresponding period. Pleasingly, segment profit margin increased to 39%, up from 35%, driven by benefits of scale, supported by a revenue mix of higher margin products – particularly from a higher proportion of gold detector products sold.

Minelab Africa delivered a strong full-year performance, with revenue of approximately $115 million, up both year-on-year and half-on-half by 64% and 54% respectively. This result reflects demand from across the region (excluding Sudan), underpinned by business development initiatives to grow our presence across new and existing markets. While Codan has not historically directly linked gold detector demand to movements in the gold price, the currently elevated gold price appears to be providing supportive demand conditions in key artisanal markets.

Minelab recently soft-launched Gold Monster 2000, a new gold detector retailing at approximately twice the price of the Gold Monster 1000. Positioned as a premium entry-level product, it will be released to customers in Q1 FY26 and is expected to contribute to growth in FY26.

Minelab's Rest of World (**RoW**) business maintained revenue versus the pcp, which we consider to be a good outcome in what remains quite challenging consumer conditions. This success reflects our focus on growing physical and e-commerce distribution channels and capitalising on Minelab's brand dominance in many markets. Minelab continues to invest in growing market share through the ongoing investment in its product roadmaps, new technology platforms, expansion of its retail footprint in the U.S. and Europe, and enhancement of its e-commerce capabilities. These initiatives are expected to support future growth as four new products are scheduled for release in FY26.

The moderation of humanitarian aid by the U.S. Government Administration resulted in lower sales of Minelab's Countermine products in FY25. In response, the business is undergoing a strategic shift to re-position towards more military-based applications, for which there is a growing need.

Summary

The Group continues to deliver on the strategy of building a stronger Codan. Our strategic pillars of investing in intellectual property, product R&D, people and systems, expanding into new geographies and strengthening Codan's position in core markets, and disciplined capital allocation will continue to guide our focus in FY26. As part of this strategy, Codan actively evaluates acquisition opportunities for the Communications business that align with its technology platforms and strategic market priorities.

Looking ahead to FY26, the Communications business targets long-term sales growth of at least 10 to 15% per annum and, as demonstrated in FY24 and FY25, this target growth range can be exceeded. With approximately $155 million of FY26 revenue already secured in the 30 June orderbook, the expectation of increased defence spending by governments, the ongoing growth in the unmanned systems market and the first full year of contribution from Kägwerks, our Communications business is well positioned to grow in the 15 to 20% range in FY26.

Minelab enters FY26 in a strong position, building on the momentum of excellent growth delivered in FY25. As the global leader in hand-held metal detection, Minelab continues to benefit from its market leadership, well-recognised brand, and global distribution footprint. FY26 is shaping up to be an exciting year with four new product releases scheduled across the recreational, gold, and countermine product ranges. These launches, combined with favourable macro conditions in key regions such as West Africa, position the business to capture further demand and deliver continued growth.

Codan is well positioned for sustained growth and, supported by current favourable market conditions for our defence related communications products and our gold detectors, we expect to continue to grow the revenue and profitability of our high-performing businesses and deliver long-term value to shareholders.

With a strong balance sheet and a disciplined approach to capital allocation, the Group remains well placed to execute on strategic acquisitions. The recently renewed $250 million debt facility provides increased flexibility and funding capacity to support future inorganic growth initiatives.

DIVIDENDS

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount $000	Franked	Date of payment
Declared and paid during the year ended 30 June 2025:				
FY24 final	12.0	21,758	100%	18 September 2024
FY25 interim	12.5	22,725	100%	17 March 2025
Declared after the end of the year:				
FY25 final	16.0	29,051	100%	17 September 2025

All dividends paid or declared by the Company since the end of the previous financial year were fully franked.

EVENTS SUBSEQUENT TO REPORTING DATE

Except for the declaration of the FY25 final dividend detailed in note 5 and banking facilities renewal in note 9, there has not arisen in the interval between the end of the financial year 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.

LIKELY DEVELOPMENTS

The group will continue with its strategy of continuing to invest in new product development and to seek opportunities to further strengthen profitability by expanding into related businesses offering complementary products and technologies.

Further information about likely developments in the operations of the group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the group.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares and performance rights over ordinary shares issued by the Company as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001* (Cth), at the date of this report is as follows:

	Ordinary Shares	Unvested Performance Rights
Mr A Ianniello	102,396	274,908
Mr G R C Barclay	126,144	–
Mr H Mackay-Cruise	23,687	–
Ms K J Gramp	31,290	–
Ms S Adam-Gedge	18,583	–

DIRECTORS' REPORT (continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current and former directors and officers of the Company and certain controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and secretaries of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The Deed of Access, Indemnity and Insurance stipulates that the Company and certain controlled entities will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

PRINCIPAL ACTIVITIES

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

Environmental Regulations

Codan's operations are subject to environmental regulations under the Commonwealth of Australia and State/Territory legislation. The Board believes that Codan has adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements as they apply to Codan.

NON-AUDIT SERVICES

During the year, KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure that they do not have an impact on the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Refer page 81 for a copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* (Cth).

Details of the amounts paid or payable to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are below.

	Consolidated	
	2025 $	2024 $
STATUTORY AUDIT		
Audit and review of financial reports	**430,120**	351,556
	430,120	351,556
SERVICES OTHER THAN STATUTORY AUDIT		
Taxation advice and compliance services	**29,815**	22,639
	14,770	–
	44,585	22,639

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 R C Barclay
Director

A Ianniello
Managing Director & CEO

Dated at Mawson Lakes
this 20th day of August 2025.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

under *Section 307c of the Corporations Act 2001*

KPMG

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 audit of Codan Limited for the financial year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary
Partner

Sydney

20 August 2025

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT

as at 30 June 2025

		Consolidated	
		2025	2024
	Note	**$000**	$000
CONTINUING OPERATIONS			
Revenue	2	**674,226**	550,459
Cost of sales		**(295,471)**	(245,234)
Gross profit		**378,755**	305,225
Other income	4	**51**	1,180
Administrative expenses		**(61,640)**	(48,122)
Sales and distribution expenses		**(131,049)**	(106,680)
Engineering expenses		**(39,501)**	(35,982)
Net financing costs	3	**(12,718)**	(10,898)
Other expenses	4	**-**	(234)
Profit before tax		**133,898**	104,489
Income tax expense	7	**(30,405)**	(23,191)
Profit for the period		**103,493**	81,298
Attributable to:			
Equity holders of the company		**103,493**	81,387
Non-controlling interests		**-**	(89)
		103,493	81,298
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic earnings per share	6	**57.1 cents**	45.0 cents
Diluted earnings per share	6	**56.8 cents**	44.8 cents

The consolidated income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 86 to 116.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

		Consolidated	
		2025	2024
	Note	**$000**	$000
Profit for the period		**103,493**	81,298
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		**1,259**	1,723
less tax effect		**(378)**	(517)
Changes in fair value of cash flow hedges, net of income tax	20	**881**	1,206
Exchange differences on translation of foreign operations	20	**13,921**	(6,446)
Other comprehensive income/(loss) for the period, net of income tax		**14,802**	(5,240)
Total comprehensive income for the period		**118,295**	76,058
Attributable to:			
Equity holders of the company		**118,295**	76,147
Non-controlling interests		**-**	(89)
		118,295	76,058

The consolidated statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 86 to 116.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET

for the year ended 30 June 2025

		Consolidated	
		2025	2024
	Note	**$000**	$000
CURRENT ASSETS			
Cash and cash equivalents	8	**39,731**	19,703
Trade and other receivables	11	**93,102**	93,883
Inventory	12	**140,700**	110,069
Current tax assets	7	**3,770**	1,465
Other assets	13	**45,463**	33,786
Total current assets		**322,766**	258,906
NON-CURRENT ASSETS			
Property, plant and equipment	14	**42,545**	40,219
Right-of-use assets	31	**31,098**	34,369
Product development	15	**165,400**	129,425
Intangible assets	16	**341,162**	304,592
Other assets		**1,834**	1,200
Total non-current assets		**582,039**	509,805
Total assets		**904,805**	768,711
CURRENT LIABILITIES			
Trade and other payables	17	**161,264**	126,428
Lease liabilities	31	**7,534**	6,689
Current tax payable	7	**7,856**	8,621
Provisions	18	**17,382**	13,663
Total current liabilities		**194,036**	155,401
NON-CURRENT LIABILITIES			
Trade and other payables	17	**18,751**	19,196
Lease liabilities	31	**35,202**	39,232
Loans and borrowings	9	**118,000**	95,125
Deferred tax liabilities	7	**10,369**	8,250
Provisions	18	**4,620**	4,575
Total non-current liabilities		**186,942**	166,378
Total liabilities		**380,978**	321,779
Net assets		**523,827**	446,932
EQUITY			
Share capital	19	**53,618**	50,319
Reserves	20	**107,449**	92,863
Retained earnings		**362,760**	303,750
Total equity		**523,827**	446,932
Total equity attributable to the equity holders of the company		**523,827**	447,386
Non-controlling interests		**-**	(454)
		523,827	446,932

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 86 to 116.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

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 1 July 2024	**50,319**	**32,012**	**332**	**1,538**	**58,981**	**303,750**	**446,932**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**103,493**	**103,493**
Change in fair value of cash flow hedges	**-**	**-**	**881**	**-**	**-**	**-**	**881**
Exchange differences on translation of foreign operations	**-**	**13,921**	**-**	**-**	**-**	**-**	**13,921**
	50,319	**45,933**	**1,213**	**1,538**	**58,981**	**407,243**	**565,227**
Transactions with owners of the company							
Dividends recognised during the period	**-**	**-**	**-**	**-**	**-**	**(44,483)**	**(44,483)**
Performance rights expensed	**-**	**-**	**-**	**1,647**	**-**	**-**	**1,647**
Allocation of treasury shares	**1,863**	**-**	**-**	**(1,863)**	**-**	**-**	**-**
Director and employee share plans	**1,436**	**-**	**-**	**-**	**-**	**-**	**1,436**
	3,299	**-**	**-**	**(216)**	**-**	**(44,483)**	**(41,400)**
Balance at 30 June 2025	**53,618**	**45,933**	**1,213**	**1,322**	**58,981**	**362,760**	**523,827**

*There is no non-controlling interest portion in retained earnings as of 30 June 2025 due to the increase in ownership in Minelab Dubai from 49% to 100%.

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 1 July 2023	49,196	38,458	(874)	1,859	58,981	258,715	406,335
Profit for the period	-	-	-	-	-	81,298	81,298
Change in fair value of cash flow hedges	-	-	1,206	-	-	-	1,206
Exchange differences on translation of foreign operations	-	(6,446)	-	-	-	-	(6,446)
	49,196	32,012	332	1,859	58,981	340,013	482,393
Transactions with owners of the company							
Dividends recognised during the period	-	-	-	-	-	(36,263)	(36,263)
Performance rights expensed	-	-	-	802	-	-	802
Allocation of Treasury Shares	1,123	-	-	(1,123)	-	-	-
Director and employee share plans	-	-	-	-	-	-	-
	1,123	-	-	(321)	-	(36,263)	(35,461)
Balance at 30 June 2024	50,319	32,012	332	1,538	58,981	303,750	446,932

*The amounts in retained earnings includes the portion for non-controlling interests with an opening retained loss as at 1 July 2023 of $0.365 million, FY24 loss after tax of $0.089 million (FY23: $0.045 million loss) which results in a closing retained loss of $0.454 million as at 30 June 2024.

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 86 to 116.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

	Note	2025 $000	2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**682,458**	534,752
Cash paid to suppliers and employees		**(499,502)**	(398,009)
Interest received		**279**	87
Interest paid		**(10,454)**	(7,532)
Finance charge on lease liabilities	31	**(1,899)**	(1,992)
Income taxes paid (net)		**(24,245)**	(20,856)
Net cash from operating activities	10	**146,637**	106,450
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries (net of cash acquired)	32	**(35,666)**	(37,236)
Proceeds from disposal of property, plant and equipment		**38**	58
Payments for capitalised product development	15	**(49,271)**	(39,796)
Acquisition of property, plant and equipment		**(8,617)**	(10,122)
Acquisition of intangibles (computer software and licences)		**(4,540)**	(866)
Net cash used in investing activities		**(98,056)**	(87,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns of borrowings	9	**101,875**	71,000
Repayments of borrowings	9	**(79,000)**	(51,255)
Payment of lease liabilities (principal)	31	**(7,051)**	(5,913)
Dividends paid	5	**(44,483)**	(36,263)
Net cash provided by/(used in) financing activities		**(28,659)**	(22,431)
Net increase/(decrease) in cash held		**19,922**	(3,943)
Cash and cash equivalents at the beginning of the financial year		**19,703**	23,661
Effects of exchange rate fluctuations on cash held		**106**	(15)
Cash and cash equivalents at the end of the financial year	8	**39,731**	19,703

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 86 to 116.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

CODAN LIMITED AND ITS CONTROLLED ENTITIES

1. MATERIAL ACCOUNTING POLICIES

Codan Limited (the "Company") is a company domiciled in Australia and is a for-profit entity. The consolidated financial report of the Company as at and for the year ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as the "group" and individually as "group entities"). The financial report was authorised for issue by the directors on 20 August 2025.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* (Cth).

The consolidated financial report of the group complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The consolidated financial report is prepared in Australian dollars (the Company's functional currency and the functional currency of the majority of the group) on the historical costs basis except that derivative financial instruments are stated at their fair value.

The group 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.

Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to:

- impairment assessments of non-current assets, including product development and goodwill (refer notes 15 and 16).
- measurement of inventory net realisable value (refer note 1 (l)).
- recognition of deferred tax assets: availability of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised (refer note 7).
- acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis (refer note 32).

Changes in material accounting policies

The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as at and for the year ended 30 June 2024.

The group has adopted Classification of Liabilities as Current or Non-current (Amendments to AASB 101) from 30 June 2025. The amendments apply retrospectively. The amendments clarify certain requirements for determining whether a liability is classified as current or non-current and introduce new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. There is no retrospective impact on the comparative statement of financial position. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date. The group has disclosed additional information around covenant arrangements (see Note 9).

(c) Basis of consolidation

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between subsidiaries are eliminated in full on consolidation.

The group accounts for business combinations under the acquisition method when the acquired set of activities and assets meet the determination of a business and control is transferred to the group. In determining whether a particular set of activities and assets is a business, the group assesses whether the set of activities and assets acquired includes at a minimum, an input and substantive process and whether the acquired set has the ability to produce outflows. Transaction costs, other than those associated with the issue of debt or equity securities that the group incurs in connection with a business combination, are expensed as incurred.

Upon the loss of control, the group derecognises the assets and liabilities of the subsidiary, and non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement.

Non-controlling interests are measured at their proportionate share of the subsidiaries' net assets.

(d) Revenue recognition

Revenues are recognised at the fair value of the consideration received or receivable, net of the amount of value added tax (VAT) payable to taxation authorities.

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (net of rebates, expected returns, discounts and other allowances).

Revenue is recognised when performance obligations are satisfied and the significant risks and expected returns of ownership pass to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. For most goods sold, there is one performance obligation, which is the delivery of the goods to the customer. Control usually passes when the goods are shipped to the customer with revenue recognised at this point in time.

Communications solutions

Contract revenue from projects to install communications solutions for our customers includes the initial amount agreed in the contract, plus any variations in contract work, claims and incentive payments. As soon as the outcome of a communications solution contract can be estimated reliably, contract revenue is recognised over time in proportion to the stage of completion of the contract as performance obligations are satisfied.

The stage of completion of a communications solutions contract is assessed by reference to costs incurred comparing with total estimated costs. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

In the event a communications solution contract and maintenance service contract are provided under a single arrangement, then the consideration is allocated based on their relative stand-alone selling prices. The standalone selling price is determined based on the list prices at which the group sells the solution and services in separate transactions.

Maintenance and support services

Services provided to customers predominantly relate to maintenance and support services which can include technical support, preventative hardware maintenance and software upgrades. Revenue from these services is recognised over time throughout the life of the service contract which can have a multi-year term.

Installation and training services can be provided to customers in conjunction with the sale of goods and in these circumstances, then the consideration is allocated based on their relative stand-alone selling prices. The standalone selling price is determined based on the list prices at which the group sells the goods and services in separate transactions. The services revenue is recognised at a point in time as performance obligations are delivered.

(e) Net financing costs

Net financing costs include interest paid relating to borrowings, interest received on funds invested, unwinding of discounts and foreign exchange gains and losses. Qualifying assets are assets that take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the qualifying assets. Interest income and borrowing costs are recognised in the income statement on an accruals basis, using the effective-interest method. Foreign currency gains and losses are reported on a net basis.

(f) Foreign currency

Foreign currency transactions are translated to Australian dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income and presented within equity, to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair-value adjustments arising on acquisition, are translated to Australian dollars at the foreign exchange rates ruling at the reporting date. Equity items are translated at historical rates. The income and expenses of foreign operations are translated to Australian dollars at the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal, or partial disposal, of the foreign operations.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and on consolidation they are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in other comprehensive income to the extent that the hedge is effective and are presented within equity in the hedging reserve. To the extent that the hedge is ineffective, such differences are recognised in the income statement. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to the income statement as an adjustment to the income statement on disposal.

(g) Derivative financial instruments

The group has used derivative financial instruments to hedge its exposure to foreign exchange and interest rate movements. In accordance with its policy, the group does not hold derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement unless the derivative qualifies for hedge accounting.

Hedging

On initial designation of the hedge, the group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in comprehensive income and presented within equity. When the forecast transaction subsequently results in the recognition of a financial asset or liability, then the associated gains and losses that were recognised directly in equity are reclassified into the income statement.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(h) Taxation

Income tax expense on the income statement comprises a current and deferred tax expense. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, adjusted for any prior year under or over provision. The movement in deferred tax assets and liabilities results in a deferred tax expense, unless the movement results from a business combination, in which case the tax entry is recognised in goodwill, or a transaction has impacted equity, in which case the tax entry is also reflected in equity.

Deferred tax assets and liabilities arise from temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle the tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Company is the head entity in the tax-consolidated group comprising all the Australian wholly owned subsidiaries. The Company recognises the current tax liability of the tax-consolidated group. The tax-consolidated group has determined that subsidiaries will account for deferred tax balances and will make contributions to the head entity for the current tax liabilities as if the subsidiary prepared its tax calculation on a stand-alone basis.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses, as a result of revised assessments of the probability of recoverability, are recognised by the head entity only.

(i) Value added tax

Revenues, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from tax authorities. In these circumstances, the VAT is recognised as part of the cost of acquisition of the asset or is expensed. Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, tax authorities is included as a current asset or liability in the balance sheet.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The VAT components of cash flows arising from investing and financing activities which are recovered from, or payable to, tax authorities are classified as operating cash flows.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(k) Trade and other receivables

Trade debtors are to be settled within agreed trading terms, typically less than 60 days, and are initially recognised at fair value and then subsequently at amortised cost, less any expected credit loss allowances. Under the "lifetime expected credit loss" model, the allowance for credit losses is calculated by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability weighted outcomes. Significant receivables are individually assessed. Non-significant receivables are not individually assessed; instead, credit loss testing is performed by considering the risk profile of that group of receivables. All allowances for credit losses are recognised in the income statement.

(l) Inventories

Raw materials and stores, work in progress and finished goods are measured at the lower of cost (generally determined as the average purchase price over a period of 6 months) and net realisable value. Net realisable value represents the selling price that could be achieved in the ordinary course of business, and is calculated having regard to the quantity of stock on hand in comparison to past usage. In the case of manufactured inventories and work in progress, costs comprise direct materials, direct labour, other direct variable costs and allocated factory overheads necessary to bring the inventories to their present location and condition.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

(m) Project work in progress and contract liabilities

Project work in progress represents the gross unbilled amount expected to be collected from customers for project work performed to date. It is measured at cost, plus profit recognised to date, less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects. Project work in progress is presented as part of other assets in the balance sheet for all projects in which costs incurred, plus recognised profits, exceed progress billings. Contract liabilities primarily relate to the advance consideration received from customers for project work to be performed or services to be rendered, for which revenue is recognised over time. Contract liabilities are presented as part of trade and other payables in the balance sheet.

(n) Intangible assets

Product development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products, is capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the group intends to, and has sufficient resources to, complete development and to use or sell the asset. The expenditure capitalised has a finite useful life and includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses. Other development expenditure is recognised in the income statement when incurred.

Goodwill

All business combinations are accounted for by applying the acquisition method, and goodwill may arise upon the acquisition of subsidiaries. Goodwill is stated at cost, less any accumulated impairment losses, and has an indefinite useful life. It is allocated to cash-generating units or groups of cash-generating units and is not amortised but is tested annually for impairment.

Measuring goodwill

The group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, as well as the fair value of any pre-existing non-controlling interest, less the net recognised amount (generally fair value) of the identifiable assets acquired (including intangible assets) and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the group to the previous owners of the acquiree, and equity interests issued by the group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the Company.

Licences and other intangible assets

Licences and other intangible assets that are acquired by the group, which have finite useful lives, are stated at cost, less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill and brands is recognised in the income statement as incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

Amortisation

Amortisation is calculated on the cost of the asset, less its residual value.

Amortisation is charged to the income statement on either a straight-line or units of production basis. Intangible assets are amortised over their estimated useful lives from the date that they are available for use, but goodwill is only written down if there is an impairment.

The estimated useful lives in the current and comparative periods are as follows:

	Straight-line	Units of production
Product development, licences and intellectual property	**2 - 15 years**	5 - 10 years
Computer software	**3 - 7 years**	
Brand names	**20 years**	
Customer relationships	**5 years**	

Amortisation methods, useful lives and residual values are reviewed at each reporting date.

(o) Property, plant and equipment

Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" in the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, less its residual value.

Depreciation is charged to the income statement on property, plant and equipment on a straight-line basis over the estimated useful life of the assets. The main depreciation rates used for each class of asset for current and comparative periods are as follows:

Leasehold property improvements	6% to 10%
Plant and equipment	7% to 40%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(p) Impairment

The carrying amounts of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life or are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of non-financial assets is the greater of their fair value, less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash-generating units to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets or groups of assets. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other non-financial assets in the cash-generating unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(q) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(r) Interest bearing borrowings

Interest bearing borrowings are recognised initially at their fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective-interest basis.

(s) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries, incentives and annual leave represent current obligations resulting from employees' services provided to the reporting date, calculated at undiscounted amounts based on remuneration rates that the group expects to pay as at the reporting date, including related on-costs such as superannuation, workers' compensation insurance and payroll tax.

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows resulting from the employees' services provided to the reporting date. The provision is calculated using expected future increases in wage and salary rates, including related on-costs, and expected settlement dates based on turnover history, and is discounted using high-quality corporate bond rates at the reporting date which most closely match the terms of maturity of the related liabilities.

Defined contribution superannuation plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The group contributes to defined contribution superannuation plans and these contributions are expensed in the income statement as incurred.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

(t) Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event, it can be estimated reliably and it is probable that a future sacrifice of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Restructuring and employee termination benefits

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Warranty

A provision is made for the group's estimated liability on all products sold and still under warranty, and includes claims already received. The estimate is based on the group's warranty cost experience over previous years.

(u) Leases

A lease arrangement is one that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The payments associated with short-term lease arrangements and leases of low-value assets are recognised on a straight-line basis in the Income Statement. Short-term leases are leases with a lease term of 12 months or less. The main type of leases of the group are leases for offices, warehouses and manufacturing facilities. Some property leases contain extension options exercisable by the group. Where practicable, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses at the lease commencement date whether it is reasonably certain to exercise the options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Right-of-use assets

The group recognises a right-of-use asset and a lease liability at the commencement date of the lease arrangement. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimates of costs to dismantle or remediate the underlying asset, less any lease incentives received. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. In addition, the right-of-use asset may be adjusted periodically due to remeasurements of the lease liability. Capitalised leased assets are amortised on a straight-line basis over the term of the relevant lease, or where it is likely the group will obtain ownership of the asset, the life of the asset. The main depreciation rates used for Right-of-use assets are 7% to 25%.

Lease liabilities

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date of the arrangement, discounted using the rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured through increasing the carrying amount to reflect interest on the lease liability, less lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(v) Share capital - ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(w) Share-based payment transactions

Share-based payments in which the group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained from the group.

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards which vest.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

(x) Future Australian Accounting Standards requirements

A number of new standards are effective after 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.

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

2. SEGMENT ACTIVITIES

The group determines and presents operating segments based on the information that is internally provided to the CEO, who is the group's chief operating decision-maker.

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' results are regularly reviewed by the group's CEO, to make decisions about resources to be allocated to the segments and assess their performance.

Segment results relate to the underlying operations of a segment and are as reported to the CEO, and include the expense from functions that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily cash balances), corporate expenses, other income and expense, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The group's primary format for segment reporting is based on business segments.

Business segments

The group comprises three business segments.
The communications segment includes the design, development, manufacture and marketing of communications equipment.
The metal detection segment includes the design, development, manufacture and marketing of metal detection equipment.
The "Other" business segment relates to the Tracking Solutions business that was sold on 1 July 2021 and the ongoing manufacturing and sale of tracking products to Caterpillar Inc.

Two or more operating segments may be aggregated into a single operating segment if they are similar in nature.

The Communications segment comprises of the following operating segments: DTC, Zetron and Kägwerks, which are aggregated because they have similar economic characteristics such as long-term average contribution margins, nature of products, production process and regulatory environment, type of customers and distribution methods.

Geographical areas

In presenting information on the basis of geographical areas, segment revenue has been based on the geographic location of the invoiced customer. Segment assets are based on the geographic location of the assets. The group has manufacturing and offices in Australia, Canada, Denmark, United Kingdom and United States, with overseas representative offices in Brazil, India, Ireland, Malaysia, Mexico, Singapore, and the United Arab Emirates.

Information about reportable segments	Communications		Metal detection		Other		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$000	$000	**$000**	$000	**$000**	$000	**$000**	$000
Revenue								
Revenue recognised at a point in time	**324,763**	256,226	**254,805**	219,853	**5,947**	3,697	**585,515**	479,776
Revenue recognised over time	**88,711**	70,683	**–**	–	**–**	–	**88,711**	70,683
Total external segment revenue	**413,474**	326,909	**254,805**	219,853	**5,947**	3,697	**674,226**	550,459
Result								
Segment result	**107,893**	80,506	**98,170**	77,920	**541**	336	**206,604**	158,762
Unallocated net financing costs							**(10,819)**	(8,905)
Unallocated income and expenses							**(61,887)**	(45,368)
Profit from operating activities							**133,898**	104,489
Income tax expense							**(30,405)**	(23,191)
Statutory net profit							**103,493**	81,298
Non–cash items included above								
Depreciation and amortisation	**26,723**	20,619	**10,226**	11,517	**–**	–	**36,949**	32,136
Unallocated depreciation and amortisation							**786**	950
Total depreciation and amortisation							**37,735**	33,086
Assets								
Capital expenditure	**40,501**	33,887	**19,368**	14,350	**–**	–	**59,869**	48,237
Unallocated capital expenditure							**2,559**	2,492
Total capital expenditure							**62,428**	50,729
Segment assets	**631,909**	535,974	**207,773**	190,186	**2,523**	620	**842,205**	726,780
Unallocated corporate assets							**62,600**	41,932
Consolidated total assets							**904,805**	768,712

Revenue recognised at a point in time mainly relates to the sale of goods for Metal detection and Communications products. Revenue recognised over time relates to contract revenue from projects to install communications solutions as well as maintenance and support service (the accounting policy is outlined in Note 1(d)).

The group derived its revenues from a number of countries. The significant countries where revenue was 10% or more of total revenue was the United States of America totalling $262.813 million (2024: $219.912 million) and United Arab Emirates totalling $87.223 million (2024: $52.038 million)

The group's non-current assets, excluding financial instruments and deferred tax assets, were located in various countries and countries where the value is 10% or more of the group's total non-current assets are deemed as significant. These countries are as follows: the United States of America $279.272 million (2024: $249.608 million), Australia $159.340 million (2024: $129.940 million), United Kingdom $72.125 million (2024: $58.120 million) and Canada $65.422 million (2024: $67.747 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

GROUP PERFORMANCE (continued)

	Consolidated 2025 $000	2024 $000
3. EXPENSES		
Net financing costs:		
Interest income	**(279)**	(87)
Net foreign exchange (gain)/loss	**302**	(187)
Interest expense	**10,454**	7,532
Finance charge on lease liabilities	**1,899**	1,992
Foreign currency hedge loss	**342**	1,648
	12,718	10,898
Depreciation of:		
Right-of-use assets	**6,607**	6,210
Leasehold property	**1,819**	1,708
Plant and equipment	**5,936**	5,320
	14,362	13,238
Amortisation of:		
Product development - straight-line	**18,358**	14,792
Product development - units of production	**2,880**	3,748
Intellectual property	**36**	30
Computer software	**813**	268
Licences	**156**	199
Customer Relationships	**714**	408
Brand names	**416**	403
	23,373	19,848
Personnel expenses:		
Wages and salaries	**138,713**	116,578
Other associated personnel expenses	**18,395**	14,517
Contributions to defined contribution superannuation plans	**12,209**	9,962
Long service leave expense	**929**	580
Annual leave expense	**9,863**	8,847
Performance rights plan	**1,647**	802
	181,756	151,286
4. OTHER EXPENSES / INCOME		
Other income:		
Other income	**51**	1,180
	51	1,180
Other expenses:		
Loss on sale of property, plant and equipment	**–**	234
	–	234

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Consolidated 2025 $000	2024 $000
5. DIVIDENDS		
Codan Limited has provided or paid for dividends as follows:		
• ordinary final fully-franked dividend of 12.0 cents per ordinary share paid on 18 September 2024	**21,758**	
• ordinary interim fully-franked dividend of 12.5 cents per ordinary share paid on 17 March 2025	**22,725**	
• ordinary final fully-franked dividend of 9.5 cents per ordinary share paid on 20 September 2023		17,225
• ordinary interim fully-franked dividend of 10.5 cents per ordinary share paid on 12 March 2024		19,038
	44,483	36,263

Since the end of the financial year, the directors declared a final ordinary fully franked dividend of 16.0 cents per share, payable on 17 September 2025. The financial impact of this final dividend of $29.051 million has not been brought to account in the group financial statements for the year ended 30 June 2025 and will be recognised in subsequent financial reports.

Dividend franking account		
Franking credits available to shareholders for subsequent financial years (30%)	**41,659**	49,403

The franking credits available are based on the balance of the dividend franking account at year-end, adjusted for the franking credits that will arise from the payment of the current tax liability. The ability to utilise the franking account credits is dependent upon there being sufficient available profits to declare dividends. Based upon the above declared dividend, the impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by $12.451 million (2024: $9.325 million).

6. EARNINGS PER SHARE

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise performance rights granted to employees.

Net profit used for the purpose of calculating basic and diluted earnings per share	**103,493**	81,387

The weighted average number of shares used as the denominator number for basic earnings per share was 181,290,944 (2024: 181,044,967). The movement in the year is as a consequence of the shares issued under the company's share plans.
The calculation of diluted earnings per share at 30 June 2025 was based on a weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares of 182,234,502 (2024: 181,816,939). The movement in the year relates to the shares issued under the company's share plans.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

TAXATION

	Consolidated 2025 $000	2024 $000
7. INCOME TAX		
A. Income tax expense		
Current tax expense:		
Current tax paid or payable for the financial year	**28,711**	26,499
Adjustments for prior years	**(86)**	(5,580)
	28,625	20,919
Deferred tax expense:		
Origination and reversal of temporary differences	**2,865**	1,876
(Recognition)/derecognition of tax losses previously not booked	**(1,085)**	396
Total income tax expense in income statement	**30,405**	23,191
Reconciliation between tax expense and pre-tax net profit:		
The prima facie income tax expense calculated at 30% on the profit from ordinary activities	**40,169**	31,347
Decrease in income tax expense due to:		
Additional deduction for research and development expenditure	**(4,011)**	(3,727)
Effect of tax rates in foreign jurisdictions	**(3,329)**	(2,792)
(Over)/under provision for taxation in previous years	**(86)**	(2,258)
Other deductible expenses	**(1,472)**	–
(Recognition)/derecognition of tax losses previously not booked	**(1,085)**	396
	30,186	22,966
Increase in income tax expense due to:		
Capital expenses relating to acquisitions and disposals	**10**	147
Non-deductible expenses	**209**	78
Income tax expense	**30,405**	23,191
B. Current tax liabilities / assets		
Balance at the beginning of the year	**(7,156)**	(7,080)
Net foreign currency differences on translation of foreign entities	**(379)**	(13)
Income tax paid (net)	**24,245**	20,856
Adjustments from prior year	**7,915**	5,580
Current year's income tax paid or payable on operating profit	**(28,711)**	(26,499)
	(4,086)	(7,156)
Disclosed in balance sheet as:		
Current tax asset	**3,770**	1,465
Current tax payable	**(7,856)**	(8,621)
	(4,086)	(7,156)

	Consolidated 2025 $000	2024 $000
C. Deferred tax liabilities		
Provision for deferred income tax comprises the estimated expense at the applicable tax rate of the following items:		
Expenditure currently tax deductible but deferred and amortised for accounting (intangible assets)	**35,643**	31,006
Liabilities recognised from the identifiable intangible assets acquired from business combination	**(8,927)**	(1,852)
Set-off of tax in relation to deferred tax assets:		
Difference in depreciation of property, plant and equipment*	**4,306**	2,127
Payments for intellectual property not currently deductible	**(3,845)**	(2,025)
Provisions for employee benefits not currently deductible	**(3,362)**	(2,953)
Provisions and accruals not currently deductible	**(5,761)**	(5,255)
Deferred income	**–**	(6,357)
Sundry items	**(352)**	(147)
Carry forward overseas tax losses	**(4,263)**	(3,008)
Carry forward overseas R&D tax credits	**(3,070)**	(3,286)
	10,369	8,250

*As at 30 June 2025, deferred tax asset for lease liability was $8.296 million (30 June 2024: $9.349 million), while the deferred tax liability at 30 June 2025 for Right-of-Use asset was $7.210 million (30 June 2024: $7.969 million).

As at 30 June 2025 income tax losses of $9 million (2024: $10 million) and capital tax losses of $24 million (2024: $24 million) have not been recognised as a deferred tax asset. As at 30 June 2025, there are gross deferred tax assets of $12.450 million (2024: $10.361 million) and gross deferred tax liabilities of $22.819 million (2024: $18.611 million). These cannot be legally offset as they relate to income taxes levied by different taxation authorities (or on different taxable entities).

D. Effective tax rates

	2025	2024
Global operations - total consolidated tax expense	**23%**	22%
Australian operations - Australian company income tax expense*	**12%**	22%

*The Australian effective tax rate includes the impact of non-assessable dividends received from foreign subsidiaries. These dividends are included in the Australian accounting profit but eliminated at a group level. Dividends received from wholly owned foreign subsidiaries are not subject to additional tax in Australia. If these intercompany dividends were excluded, the Australian effective tax rate would be 24%.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

CASH MANAGEMENT

	Consolidated 2025 $000	2024 $000
8. CASH AND CASH EQUIVALENTS		
Cash on hand	**178**	266
Cash at bank	**39,553**	19,437
	39,731	19,703
9. LOANS AND BORROWINGS		
Non-Current		
Cash advance	**118,000**	95,125
	118,000	95,125
The group has access to the following lines of credit:		
Total facilities available at balance date:		
Multi-option facility	**200,000**	170,000
Commercial credit card	**4,512**	4,308
	204,512	174,308
Facilities utilised at balance date:		
Multi-option facility - cash advance	**118,000**	95,125
Multi-option facility - guarantees	**1,221**	2,539
Commercial credit card	**1,120**	880
	120,341	98,544
Facilities not utilised at balance date:		
Multi-option facility	**80,779**	72,336
Commercial credit card	**3,392**	3,428
	84,171	75,764

In addition to these facilities, the group has cash at bank of $39.731 million as set out in Note 8.

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 30 June 2025 was $118 million.

	2025	2024
Weighted average interest rates:	**%**	%
Cash at bank	**1.03**	1.43
Cash advance	**6.27**	6.06

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Reconciliation of movements of liabilities to cash flows arising from financing activities:	Liabilities: Loans and Borrowings $000	Liabilities: Lease liabilities $000	Equity: Retained Earnings $000	Total $000
Balance as at 1 July 2024	95,125	45,921	303,750	444,796
Changes from financing cash flows				
Drawdowns of borrowings	101,875	–	–	101,875
Repayment of borrowings	(79,000)	–	–	(79,000)
Payment of lease liabilities (principal)	–	(7,051)	–	(7,051)
Dividend paid	–	–	(44,483)	(44,483)
Total changes from financing cash flows	22,875	(7,051)	(44,483)	(28,659)
Other changes				
New leases	–	3,195	–	3,195
Net foreign currency differences on translation	–	671	–	671
Profit for the period	–	–	103,493	103,493
Total liability-related other changes	–	3,866	103,493	107,360
Balance as at 30 June 2025	118,000	42,736	362,760	523,497

	Consolidated 2025 $000	2024 $000
10. NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of profit after income tax to net cash provided by operating activities		
Profit after income tax	**103,493**	81,298
Add/(less) items classified as investing or financing activities:		
(Gain)/loss on sale of non-current assets	**–**	234
Add/(less) non-cash items:		
Depreciation	**14,362**	13,238
Amortisation	**23,373**	19,848
Performance rights and employee share plan expensed	**1,647**	802
Increase/(decrease) in income taxes	**6,160**	2,335
Increase/(decrease) in net assets affected by foreign currency translation	**(115)**	(984)
Net cash from operating activities before changes in assets and liabilities	**148,920**	116,771
Change in assets and liabilities during the financial year:		
Reduction/(increase) in receivables	**1,900**	(17,195)
Reduction/(increase) in inventories	**(14,543)**	15,971
Reduction/(increase) in other assets	**(11,524)**	(8,193)
Increase/(reduction) in trade and other payables	**18,453**	(127)
Increase/(reduction) in provisions	**3,431**	(777)
Net cash from operating activities	**146,637**	106,450

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

OPERATING ASSETS AND LIABILITIES

		Consolidated	
		2025	2024
	Notes	**$000**	$000
11. TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		**94,195**	91,620
Less: expected credit loss provision	26(a)	**(2,110)**	(2,528)
Other debtors		**1,017**	4,791
		93,102	93,883
12. INVENTORY			
Raw materials		**42,631**	30,292
Work in progress		**28,293**	25,777
Finished goods		**69,776**	54,000
		140,700	110,069

In FY25, inventories of $233.236 million (2024: $174.965 million) were recognised as an expense and included in cost of sales.

		Consolidated	
	Notes	**2025 $000**	2024 $000
13. OTHER ASSETS			
Prepayments		**17,556**	10,931
Net foreign currency hedge receivable		**1,734**	472
Project work in progress		**24,533**	20,960
Other		**1,640**	1,423
		45,463	33,786
14. PROPERTY, PLANT AND EQUIPMENT			
Leasehold property at cost		**25,234**	23,926
Accumulated depreciation		**(10,540)**	(8,158)
		14,694	15,768
Plant and equipment at cost		**81,785**	70,812
Accumulated depreciation		**(59,217)**	(50,585)
		22,568	20,227
Capital work in progress at cost		**5,283**	4,224
Total property, plant and equipment		**42,545**	40,219
Reconciliations Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
Leasehold property improvements			
Carrying amount at beginning of year		**15,768**	15,125
Acquisitions through entities acquired (net value)		**7**	–
Additions		**542**	2,770
Disposals		**(1)**	(21)
Depreciation		**(1,819)**	(1,708)
Net foreign currency differences on translation of foreign entities		**197**	(398)
Carrying amount at end of year		**14,694**	15,768
Plant and equipment			
Carrying amount at beginning of year		**20,227**	20,852
Acquisitions through entities acquired (net value)		**919**	225
Additions		**6,029**	4,463
Transfers		**1,035**	451

CODAN LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
		2025	2024
	Notes	**$000**	$000
Disposals		**(37)**	(271)
Depreciation		**(5,936)**	(5,320)
Net foreign currency differences on translation of foreign entities		**331**	(173)
Carrying amount at end of year		**22,568**	20,227
Capital work in progress at cost			
Carrying amount at beginning of year		**4,224**	1,730
Additions		**2,749**	2,889
Transfers		**(1,738)**	(451)
Net foreign currency differences on translation		**48**	56
Carrying amount at end of year		**5,283**	4,224
Total carrying amount at end of year		**42,545**	40,219
15. PRODUCT DEVELOPMENT			
Product development at cost		**331,277**	273,162
Accumulated amortisation and impairment losses		**(165,877)**	(143,737)
		165,400	129,425
Reconciliation			
Carrying amount at beginning of year		**129,425**	108,174
Acquisitions through entities acquired (net value)		**6,895**	1,029
Capitalised in current period		**49,271**	39,796
Amortisation		**(21,238)**	(18,540)
Net foreign currency differences on translation of foreign entities		**1,047**	(1,034)
		165,400	129,425
16. INTANGIBLE ASSETS			
Intellectual property at cost		**22,042**	22,019
Accumulated amortisation		**(21,663)**	(21,611)
		379	408
Computer software at cost		**21,307**	16,114
Accumulated amortisation		**(15,329)**	(14,019)
		5,978	2,095
Licences at cost		**5,987**	5,978
Accumulated amortisation		**(5,640)**	(5,478)
		347	500
Brand names		**8,325**	8,232
Accumulated amortisation		**(1,649)**	(1,219)
		6,676	7,013
Customer relationships		**5,942**	3,641
Accumulated amortisation		**(1,655)**	(921)
		4,287	2,720
Goodwill		**323,495**	291,856
Total intangible assets		**341,162**	304,592

OPERATING ASSETS AND LIABILITIES (continued)

16. INTANGIBLE ASSETS (continued)

		Consolidated	
		2025	2024
	Notes	**$000**	$000
Reconciliations			
Intellectual property			
Carrying amount at beginning of year		**408**	475
Acquisitions through entity acquired		**–**	–
Amortisation		**(36)**	(30)
Net foreign currency differences on translation of foreign entities		**7**	(37)
		379	408
Computer software			
Carrying amount at beginning of year		**2,095**	1,552
Acquisitions through entities acquired (net value)		**124**	–
Additions		**3,837**	811
Transfers from capital work in progress		**703**	–
Amortisation		**(813)**	(268)
Net foreign currency differences on translation of foreign entities		**32**	–
		5,978	2,095
Licences			
Carrying amount at beginning of year		**500**	644
Additions		**–**	55
Amortisation		**(156)**	(199)
Net foreign currency differences on translation of foreign entities		**3**	0
		347	500
Brand names			
Carrying amount at beginning of year		**7,013**	7,033
Acquisitions through entities acquired (net value)		**–**	378
Amortisation		**(416)**	(403)
Net foreign currency differences on translation of foreign entities		**79**	5
		6,676	7,013
Customer Relationships			
Carrying amount at beginning of year		**2,720**	694
Acquisitions through entities acquired (net value)		**2,401**	2,690
Amortisation		**(714)**	(408)
Net foreign currency differences on translation of foreign entities		**(120)**	(256)
		4,287	2,720
Goodwill			
Carrying amount at beginning of year		**291,856**	263,576
Acquisitions through entities acquired (net value)		**24,520**	31,810
Adjustment on prior year's acquisitions		**1,507**	(2,860)
Net foreign currency differences on translation of foreign entities		**5,612**	(670)
		323,495	291,856
The following divisions have significant carrying amounts of goodwill:			
Tactical Communications*		**160,454**	133,716
Zetron		**109,085**	104,063
Minelab		**53,956**	54,077
		323,495	291,856

*Tactical Communications goodwill includes $24.520 million that relates to the Kägwerks Acquisition (refer note 32).

Goodwill

The recoverable amount of cash generating units or groups of cash generating units has been determined using value-in-use calculations. The approach to the value-in-use calculations for these units or groups of units is similar. The first year of the cash flow forecasts is based on the oncoming year's Board approved budgeted EBITDA, and cash flows are forecast for a five-year period. The key assumption driving the value-in-use valuation is the level of sales, which is based on management assessment having regard to the demand expected from customers, the global economy and the businesses' competitive position. It was assumed that the revenue would increase at a rate of 5% over the next four years. Other assumptions relate to the level of gross margins achieved on sales and the level of expense required to run the business, these assumptions reflect past experience. A terminal value has been determined at the conclusion of five years assuming a long-term growth rate of 3%. A pre-tax discount rate range of 11-13%, dependent on the size of the cash generating unit (FY24: 12-15%), has been applied to the forecast cash flows.

		Consolidated	
		2025	2024
	Notes	**$000**	$000
17. TRADE AND OTHER PAYABLES			
Current			
Trade payables		**61,294**	49,559
Other payables and accruals		**69,176**	47,188
Contract liabilities*		**30,794**	29,681
		161,264	126,428
Non-Current			
Contract liabilities*		**5,926**	6,310
Other payables and accruals		**12,825**	12,886
		18,751	19,196

*The revenue recognised in the current financial year that was included in the contract liability balance at the beginning of the financial year is $29.681 million (FY24: $26.156 million).

18. PROVISIONS

Current			
Employee benefits		**11,957**	10,319
Warranty repairs		**4,261**	3,344
Other		**1,164**	–
		17,382	13,663
Reconciliation of warranty provision			
Carrying amount at beginning of year		**3,344**	3,990
Provisions made		**2,929**	2,154
Payments made		**(2,012)**	(2,800)
		4,261	3,344
Non-Current			
Employee benefits		**825**	1,280
Other		**3,795**	3,295
		4,620	4,575

CODAN LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

CAPITAL MANAGEMENT

	Consolidated	
	2025	2024
	$000	$000

19. SHARE CAPITAL

	2025 $000	2024 $000
Share capital		
Opening balance (181,316,113 ordinary shares fully paid)	**50,319**	49,196
Issue of share capital through vested performance rights (85,869 shares)	**1,863**	1,123
Issue of share capital to directors and employees - other share plans (168,860 shares)*	**1,436**	–
Closing balance (181,570,842 ordinary shares fully paid)	**53,618**	50,319

*Other share plans relate to non-executive directors' share rights and portion of executives' STI paid in equity, as detailed in Remuneration Report.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the winding up of the company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

20. RESERVES

	2025 $000	2024 $000
Foreign currency translation reserve	**45,933**	32,012
Hedging reserve	**1,213**	332
Equity based payment reserve	**1,322**	1,538
Profit reserve	**58,981**	58,981
	107,449	92,863

Foreign currency translation

The foreign currency translation reserve records the foreign currency differences arising from the translation of foreign operations.

	2025 $000	2024 $000
Balance at beginning of year	**32,012**	38,458
Net translation adjustment	**13,921**	(6,446)
Balance at end of year	**45,933**	32,012

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments (net of tax) related to hedged transactions that have not yet occurred.

	2025 $000	2024 $000
Balance at beginning of year	**332**	(874)
Movement of hedging reserve	**881**	1,206
Balance at end of year	**1,213**	332

Equity based payment reserve

The equity based payment reserve comprises Codan Limited's accumulated expenses in relation to unvested performance rights.

	2025 $000	2024 $000
Balance at beginning of year	**1,538**	1,859
Performance rights expensed	**1,647**	802
Performance rights vested and exercised	**(1,863)**	(1,123)
Balance at end of year	**1,322**	1,538

Profit reserve

The profit reserve comprises a portion of Codan Limited's accumulated profits.

	2025 $000	2024 $000
Balance at beginning of year	**58,981**	58,981
Balance at end of year	**58,981**	58,981

21. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of directors monitors the level of dividends paid to ordinary shareholders and the overall return on capital.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings, and the advantages and security afforded by a sound capital position. This approach has not changed from previous years.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

GROUP STRUCTURE

22. GROUP ENTITIES

Name	Country of incorporation	Class of share	Interest held **2025 %**	2024 %
Parent Entity				
Codan Limited	Australia	Ordinary		
Controlled Entities				
Broadcast Wireless Systems Limited	UK	Ordinary	**100**	100
Codan Defence Electronics Pty Ltd	Australia	Ordinary	**100**	100
Codan Executive Share Plan Pty Ltd	Australia	Ordinary	**100**	100
Codan Radio Communications ME DMCC	UAE	Ordinary	**100**	100
Codan Radio Communications Pty Ltd	Australia	Ordinary	**100**	100
Codan (UK) Limited	UK	Ordinary	**100**	100
Codan (US), Inc	USA	Ordinary	**100**	100
Corp Ten International, Inc.	USA	Ordinary	**100**	100
Daniels Electronics Ltd	Canada	Ordinary	**100**	100
Domo Broadcast Holdings LLC	USA	Ordinary	**100**	100
Domo Tactical Communications (DTC) Limited	UK	Ordinary	**100**	100
Domo Tactical Communications (DTC) PTE limited	Singapore	Ordinary	**100**	100
DTC Communications, Inc	USA	Ordinary	**100**	100
DTC Group Holdings, LLC	USA	Ordinary	**100**	100
DTC International Holdings Ltd	UK	Ordinary	**100**	100
DTC North America Holdings, LLC	USA	Ordinary	**100**	100
GeoConex, LLC	USA	Ordinary	**100**	100
MEP Surveillance Midco, Inc	USA	Ordinary	**100**	100
Minelab Americas, Inc	USA	Ordinary	**100**	100
Minelab de Mexico SA de CV	Mexico	Ordinary	**100**	100
Minelab do Brasil Equipamentos Para Mineração Ltda	Brazil	Ordinary	**100**	100
Minelab Electronics Malaysia Sdn. Bhd.[1]	Malaysia	Ordinary	**100**	–
Minelab Electronics Pty Limited	Australia	Ordinary	**100**	100
Minelab Electronics UK Limited[2]	UK	Ordinary	**100**	–
Minelab India Private Limited	India	Ordinary	**100**	100
Minelab International Limited	Ireland	Ordinary	**100**	100
Minelab MEA FZE	UAE	Ordinary	**100**	100
Minelab MEA General Trading LLC	UAE	Ordinary	**100**	49
SKT2 LLC - Kägwerks[3]	USA	Ordinary	**100**	–
Spectronic Denmark A/S	Denmark	Ordinary	**100**	100
Wave Central LLC	USA	Ordinary	**100**	100
Zetron Air Systems Pty Ltd	Australia	Ordinary	**100**	100
Zetron Australasia Pty Ltd	Australia	Ordinary	**100**	100
Zetron Eagle Limited	UK	Ordinary	**100**	100
Zetron, Inc.	USA	Ordinary	**100**	100
Zetron Limited	UK	Ordinary	**100**	100

1 Minelab Electronics Malaysia Sdn. Bhd. was established on 11 October 2024.
2 Minelab Electronics UK Limited was established on 30 May 2025.
3 SKT2 LLC Kägwerks was acquired by the group on 5 December 2024. Refer to Note 32 for details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

GROUP STRUCTURE (continued)

23. DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly-owned subsidiary listed below is relieved from the *Corporations Act 2001* (Cth) requirements for preparation, audit and lodgement of financial and directors' reports.

It is a condition of the Class Order that the company and its subsidiary enter into a Deed of Cross Guarantee. The effect of the Deed is that the company guarantees to each creditor payment in full of any debt in the event of the winding up of the subsidiary under certain provisions of the *Corporations Act 2001* (Cth). If a winding up occurs under the provisions of the Act, the company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiary has also given similar guarantees in the event that the company is wound up.

Minelab Electronics Pty Limited is the only subsidiary subject to the Deed. Minelab Electronics Pty Limited became a party to the Deed on 22 June 2009, by virtue of a Deed of Assumption. A summarised consolidated income statement and a consolidated balance sheet, comprising the company and controlled entity which is a party to the Deed, after eliminating all transactions between the parties to the Deed of Cross Guarantee, is set out as follows:

	Consolidated	
	2025	2024
	$000	$000
Summarised income statement and retained earnings		
Revenue	**106,055**	116,229
Net finance costs	**(7,534)**	(7,662)
Other expenses	**(13,227)**	(60,104)
Profit before tax	**85,294**	48,463
Income tax expense	**(11,361)**	(11,921)
Profit after tax	**73,933**	36,542
Retained earnings at beginning of year	**174,443**	174,164
Retained earnings at end of year	**203,893**	174,443
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	**4,624**	5,060
Trade and other receivables	**145,288**	81,069
Inventories	**59,409**	56,811
Other assets	**5,629**	2,056
Total current assets	**214,950**	144,996
NON-CURRENT ASSETS		
Investments	**206,511**	202,387
Right-of-use assets	**12,231**	14,489
Property, plant and equipment	**14,614**	14,142
Product development	**70,768**	63,008
Intangible assets	**58,237**	54,452
Other assets	**1,834**	1,200
Total non-current assets	**364,195**	349,678
Total assets	**579,145**	494,674
CURRENT LIABILITIES		
Trade and other payables	**95,838**	67,691
Current tax payable	**1,910**	2,469
Lease Liability	**3,103**	2,936
Provisions	**9,263**	8,586
Total current liabilities	**110,114**	81,682
NON-CURRENT LIABILITIES		
Loans and borrowings	**118,000**	95,125
Lease Liability	**13,515**	16,291
Deferred tax liabilities	**14,331**	12,599
Provisions	**783**	706
Total non-current liabilities	**146,629**	124,721
Total liabilities	**256,743**	206,403
Net assets	**322,402**	288,271
EQUITY		
Share capital	**53,618**	50,319
Reserves	**64,891**	63,509
Retained earnings	**203,893**	174,443
Total equity	**322,402**	288,271

24. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2025, the parent company of the group was Codan Limited.

	Company	
	2025	2024
	$000	$000
Result of parent entity		
Profit after tax for the period	**76,672**	31,622
Other comprehensive income/(loss)	**1,040**	1,022
Total comprehensive income for the period	**77,712**	32,644
Financial position of parent entity at year end		
Current assets	**228,849**	155,363
Total assets	**547,073**	466,866
Current liabilities	**90,860**	67,806
Total liabilities	**230,849**	186,954
Total equity of the parent entity comprising:		
Share capital	**53,618**	50,319
Reserves	**63,585**	62,761
Retained earnings	**199,021**	166,832
Total equity	**316,224**	279,912

OTHER NOTES

	Consolidated 2025	2024
25. AUDITOR'S REMUNERATION		
Audit services:		
KPMG - audit and review of financial reports - Group	**430,120**	351,556
Other firms - audit and review of financial reports	**349,269**	402,037
Other Services		
KPMG - taxation advice and compliance services	**29,815**	22,639
KPMG - other assurance services	**14,770**	–
Other firms - taxation advice and compliance services	**286,651**	107,886
Other firms - other services	**7,305**	13,439
	1,117,930	897,557

26. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

Financial risk management

Overview

The group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk framework in relation to the risks faced by the group.

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and bank accounts.

The credit risk on the financial assets and contract assets of the consolidated entity is the carrying amount of the asset, net of any impairment losses recognised.

The group minimises concentration of credit risk by undertaking transactions with a large number of customers in various countries. As at 30 June 2025, the customer with the group's highest trade and other receivable balance accounted for $6.6 million (2024: $4.1 million).

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk.

The group has established a credit policy under which new customers are analysed for credit worthiness before the group's payment and delivery terms and conditions are offered.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the group may have a secured claim.

The group does not normally require collateral in respect of trade and other receivables.

The group has established an allowance for expected credit losses (**ECL**) based on the lifetime ECL approach that represents its estimate of losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets. In determining the lifetime ECL, management uses both historical credit loss experience and forecasts of future economic conditions for trade receivables. The need to consider forward-looking information means that the group exercises judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

Guarantees

Group policy is to provide financial guarantees only to wholly owned subsidiaries.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

The carrying amount of the group's financial assets represents the maximum credit exposure. The group's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated 2025 $000	2024 $000
Cash and cash equivalents	8	**39,731**	19,703
Trade and other receivables	11	**93,102**	93,883
The group's gross trade receivables at the reporting date by geographic region was:			
Australia/Oceania		**10,205**	4,877
Europe		**20,341**	22,556
Americas		**49,830**	49,519
Asia		**5,689**	10,193
Africa/Middle East		**8,130**	4,475
		94,195	91,620

Impairment losses

The ageing of the group's trade receivables at the reporting date was:

	Consolidated Gross 2025 $000	Impairment 2025 $000	Gross 2024 $000	Impairment 2024 $000
Not past due	**67,179**	**(909)**	64,163	(870)
Past due 0-30 days	**14,285**	**(168)**	10,244	(17)
Past due 31-60 days	**6,567**	**(31)**	4,339	(7)
Past due 61-120 days	**4,416**	**(19)**	8,620	(14)
More than 120 days	**1,748**	**(983)**	4,254	(1,620)
	94,195	**(2,110)**	91,620	(2,528)

Trade receivables have been reviewed, taking into consideration letters of credit held and the credit assessment of the individual customers. The impairment recognised is considered appropriate for the credit risk remaining.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated 2025 $000	2024 $000
Balance at 1 July	**2,528**	2,792
Impairment loss/(reversal) recognised	**(19)**	(264)
Trade receivables written off to the allowance for impairment	**(399)**	–
Balance at 30 June	**2,110**	2,528

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

OTHER NOTES (continued)

26. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

(b) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions and without incurring unacceptable losses or risking damage to the group's reputation. Refer note 9 for a summary of banking facilities available.

The following are the contractual maturities of financial liabilities:

	Carrying amount $000	Contractual cash flows $000	12 months or less $000	1–5 years $000	More than 5 years $000
30 June 2025					
Non–derivative financial liabilities					
Trade and other payables	**143,295**	**(143,295)**	**(130,471)**	**(12,824)**	**–**
Lease liabilities	**42,736**	**(46,698)**	**(7,534)**	**(28,809)**	**(10,354)**
Cash advance	**118,000**	**(132,807)**	**(7,403)**	**(125,403)**	**–**
	304,031	**(322,800)**	**(145,407)**	**(167,036)**	**(10,354)**
30 June 2024					
Non–derivative financial liabilities					
Trade and other payables	109,633	(109,633)	(96,747)	(12,886)	–
Lease liabilities	45,921	(52,019)	(6,689)	(28,666)	(16,664)
Cash advance	95,125	(106,660)	(5,767)	(100,892)	–
	250,679	(268,312)	(109,203)	(142,444)	(16,664)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group enters into derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the policy set by the Board. Generally, the group seeks to apply hedge accounting in order to manage volatility in the income statement.

The net fair values of monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of the contractual future cash flows on amounts due from customers (reduced for expected credit losses), or due to suppliers. The carrying amount of financial assets and financial liabilities approximates their net fair values.

Interest rate risk

Profile

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Consolidated 2025 $000	2024 $000
Fixed rate instruments		
Financial assets	**–**	–
Financial liabilities	**–**	–
	–	–
Variable rate instruments		
Financial assets	**39,731**	19,703
Financial liabilities	**(118,000)**	(95,125)
	(78,269)	(75,422)

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Cash flow sensitivity

If interest rates varied by 100 basis points for the full financial year, then based on the balance of variable rate instruments held at the reporting date, profit and equity would have been affected as shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit/(loss) before tax 100 bp increase $000	100 bp decrease $000
30 June 2025		
Variable rate instruments	**(783)**	**–**
30 June 2024		
Variable rate instruments	(754)	754

Currency risk

The group is exposed to currency risk on sales, purchases and balance sheet accounts that are denominated in a currency other than the respective functional currencies of group entities, primarily the Australian dollar (AUD). The currencies in which these transactions are denominated are primarily USD and EUR.

The group enters into foreign currency hedging instruments or borrowings denominated in a foreign currency to hedge certain anticipated highly probable operating cash flows denominated in foreign currency (principally in USD). The terms of these commitments are usually less than 12 months. As at the reporting date, the group has entered into a number of forward exchange contracts which will limit the foreign exchange risk on USD $15 million of FY26 cash flows. The average forward exchange contract rate is 1AUD:0.62USD.

The group's exposure to foreign currency risk (in AUD equivalent), after taking into account hedge transactions at reporting date, was as follows:

	Consolidated EUR $000	USD $000
30 June 2025		
Cash and cash equivalents	**1,075**	**3,760**
Trade receivables	**5,150**	**22,710**
Trade payables	**(545)**	**(29,363)**
Gross balance sheet exposure	**5,680**	**(2,893)**
Hedge transactions relating to balance sheet exposure	**–**	**(2,290)**
Net exposure at the reporting date	**5,680**	**(5,183)**
30 June 2024		
Cash and cash equivalents	991	4,883
Trade receivables	7,284	18,496
Trade payables	(39)	(19,549)
Gross balance sheet exposure	8,236	3,830
Hedge transactions relating to balance sheet exposure	–	(3,019)
Net exposure at the reporting date	8,236	811

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

OTHER NOTES (continued)

26. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Sensitivity analysis

Given the foreign currency balances included in the balance sheet as at reporting date, if the Australian dollar at that date strengthened by 10%, then the impact on profit and equity arising from the balance sheet exposure would be as follows:

	Consolidated	
	Reserve credit/(debit)	Profit/(loss) before tax
	$000	$000
2025		
EUR	**–**	**(516)**
USD	**(158)**	**471**
	(158)	**(45)**
2024		
EUR	–	(749)
USD	(43)	(74)
	(43)	(823)

A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(d) Fair value hierarchy

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 current year, financial instruments valued at fair value were limited to net foreign currency hedge receivable of $1.734 million, for which an independent valuation was obtained from the relevant banking institution.

27. EMPLOYEE BENEFITS

	Consolidated	
	2025	2024
	$000	$000
Aggregate liability for employee benefits, including on-costs:		
Current - short-term incentives and other accruals	**17,825**	11,979
Current - employee entitlements	**11,957**	10,319
Non-current - employee entitlements	**825**	1,280
	30,607	23,578

The present values of employee entitlements not expected to be settled within 12 months of the reporting date (long service leave) have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	**3.00%**	3.00%
Discount rate	**5.11%**	5.47%
Settlement term	**10 years**	10 years

Performance Rights Plan

At the 2004 AGM, shareholders approved the establishment of a Performance Rights Plan (**Plan**). The Plan is designed to provide employees with an incentive to maximise the return to shareholders over the long term, and to assist in the attraction and retention of key employees.

Performance rights issued in financial year 2023

The Company issued 40,714 performance rights in relation to the FY23 long term incentive plan and 16,305 performance rights in relation to the FY22 plan in November 2022 to the Chief Executive Officer. The FY22 issue was a pro rata issue given the Chief Executive Officer commenced employment part way through that year. The fair value of the rights was on average $3.24, based on the Black-Scholes formula. The model inputs were the share price of $3.98, no exercise price, expected volatility 53%, dividend yield 7.04%, a term of three years for the FY23 issue and a term of two years for the FY22 issue and a risk-free rate of 3.6%.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

The company issued 463,746 performance rights in February 2023 to certain employees. The fair value of the rights was on average $4.57, based on the Black-Scholes Formula. The model inputs were: the share price of $5.48, no exercise price, expected volatility 53%, dividend yield 5.11%, a term of three years and a risk-free rate of 3.6%. Due to the departure of employees, 45,060 performance rights have been cancelled. The total expense recognised as employee costs in FY25 in relation to performance rights issued was $0.465 million.

The performance rights become exercisable if certain performance thresholds such as growth of the group's earnings per share over a three-year period are achieved. The FY23 LTI plan performance rights that were based on the financial performance of Codan Limited did not vest following the end of the three-year performance period on 30 June 2025. The FY23 LTI plan included the issue of 125,000 performance rights to each Executive KMP who lead our Communications business (EGM of Tactical Communications and EGM of Zetron), in total 250,000 performance rights. Of these rights, 175,000 had financial performance measures specific to the Communications business for the three-year performance period ending on 30 June 2025 and 75,000 had service conditions. The performance condition to vesting of 175,000 share rights that were based on financial performance will fully vest in August 2025. 75,000 share rights remain unvested subject to the service condition period ending in January 2027.

Performance rights issued in financial year 2024

The company issued 99,809 performance rights in November 2023 to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average $6.74, based on the Black-Scholes formula. The model inputs were the share price of $8.13, no exercise price, expected volatility 49.5%, dividend yield 2.28%, a term of three years and a risk-free rate of 4.63%. For the RTSR performance hurdle, the fair value of the rights was on average $4.88, based on the Monte Carlo simulation method. The model inputs were the share price of $8.13, expected volatility 49.5%, dividend yield 2.28%, a risk-free rate of 4.63%, performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and vesting schedule applicable to the Chief Executive Officer.

The company issued 270,876 performance rights in February 2024 to certain employees. For the EPS Growth Performance Hurdle, the fair value of the rights was on average $7.07, based on the Black-Scholes Formula. The model inputs were the share price of $7.95, no exercise price, expected volatility 48.1%, dividend yield 2.33%, a term of three years and a risk-free rate of 4.54%. For the RTSR performance hurdle, the fair value of the rights was on average $4.43, based on the Monte Carlo simulation method. The model inputs were the share price of $7.95, expected volatility 48.1%, dividend yield 2.33%, a risk-free rate of 4.15%, performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and vesting schedule applicable to other employees. Due to the departure of employees, 8,671 performance rights have been cancelled.

The total expense recognised as employee costs in FY25 in relation to performance rights issued was $0.934 million. The performance rights become exercisable if certain performance thresholds such as growth of the group's earnings per share over a three-year period are achieved.

Performance rights issued in financial year 2025

The Company issued 134,385 performance rights in relation to the FY25 LTI plan to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average $13.12, based on the Black-Scholes formula. The model inputs were the share price of $15.80, no exercise price, expected volatility 45.1%, dividend yield 1.3%, a term of three years and a risk-free rate of 4.3%. For the RTSR performance hurdle, the fair value of the rights was on average $10.13, based on the Monte Carlo simulation method. The model inputs were the share price of $15.80, expected volatility 45.1%, dividend yield 1.3%, a risk-free rate of 4.3%, performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and vesting schedule applicable to the Chief Executive Officer.

The company issued 413,423 performance rights in June 2025 to certain employees. For the EPS growth performance hurdle, the fair value of the rights was on average $18.36, based on the Black-Scholes Formula. The model inputs were the share price of $20.10, no exercise price, expected volatility 38.9%, dividend yield 1.1%, a term of three years and a risk-free rate of 4.2%. For the RTSR performance hurdle, the fair value of the rights was on average $16.13, based on the Monte Carlo simulation method. The model inputs were the share price of $20.10, expected volatility 38.9%, dividend yield 1.1%, a risk-free rate of 4.2%, performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and vesting schedule applicable to other employees. The total expense recognised as employee costs in FY25 in relation to performance rights issued was $0.248 million. The performance rights become exercisable if certain performance thresholds such as growth of the group's earnings per share over a three-year period are achieved.

No performance rights have been issued since the end of the financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

OTHER NOTES (continued)

28. KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with key management personnel

(a) Loans to directors

There have been no loans to directors during the financial year.

(b) Key management personnel compensation

The key management personnel compensation included in "personnel expenses" (refer note 3) is as follows:

	Consolidated	
	2025	2024
	$	$
Short-term employee benefits	**6,509,099**	5,478,558
Post-employment benefits	**191,960**	166,566
Share-based payments	**1,471,517**	800,895
Other long term benefits	**42,836**	51,852
	8,215,412	6,497,871

(c) Key management personnel transactions

From time to time, directors and specified executives, or their related parties, purchase goods from the group. These purchases occur within a normal employee relationship and are considered to be trivial in nature.

29. OTHER RELATED PARTIES

All transactions with non-key management personnel related parties are on normal terms and conditions.

Companies within the group purchase materials from other group companies. These transactions are on normal commercial terms.

Loans between entities in the wholly owned group are repayable at call and no interest is charged.

30. NET TANGIBLE ASSET PER SHARE

	2025	2024
Net tangible asset per share	**15.2 cents**	11.7 cents
Net tangible asset per share (excluding right of use assets)	**(1.8) cents**	(7.3) cents

31. LEASES AND COMMITMENTS

	Consolidated	
	2025	2024
	$000	$000
Reconciliations		
Right-of-use assets at cost	**58,095**	54,418
Accumulated depreciation	**(26,997)**	(20,049)
	31,098	34,369
Right-of-use assets		
Carrying amount at beginning of year	**34,369**	38,555
Acquisitions through entities acquired (net value)	**549**	-
Additions	**2,379**	2,344
Depreciation	**(6,607)**	(6,210)
Net foreign currency differences on translation of foreign entities	**408**	(320)
Carrying amount at end of year	**31,098**	34,369

	Consolidated	
	2025	2024
	$000	$000
Lease Liabilities		
Carrying amount at beginning of year	**45,921**	50,011
Assumed liabilities through entities acquired	**597**	-
Additions	**2,598**	2,189
Finance charge on lease liabilities	**1,899**	1,992
Lease payments	**(8,950)**	(7,905)
Net foreign currency differences on translation	**671**	(366)
	42,736	45,921
of which are:		
Current lease liabilities	**7,534**	6,689
Non-current lease liabilities	**35,202**	39,232
	42,736	45,921

32. ACQUISITIONS OF SUBSIDIARIES

On 5 December 2024, Codan, through its wholly owned subsidiary, Codan (US) Inc., acquired 100% of the shares of US-based organization SKT2 LLC dba Kägwerks (**Kägwerks**) for an upfront cost of $37.394 million inclusive of $1.269 million in cash that was held by the business. There are also royalty payments for 5 years post-closing. The quantum of the royalty payments will be calculated based upon the agreed annual sales target thresholds ranging from 1% to an upper limit of 5%, without a cap to the amount payable. An estimated portion of this potential royalty (contingent consideration) of $7.395 million has been recognised as Trade and Other Payables in the group's Consolidated Balance Sheet as at 30 June 2025, which is based on forecast sales performance, factoring in future sales opportunities arising from leveraging Codan's existing global distribution network. Kägwerks is a global leader in tactical operator-worn networking communications technologies that enable connectivity and integrated secure networking in a military environment. This enables Tactical Communications to broaden its offering as a full tactical military radio solutions provider and to build capability, credibility and scale in the core markets it operates in. The acquisition of Kägwerks is consistent with Codan's growth strategy to develop or acquire complementary IP and technologies, in this case the technology being acquired includes a radio agnostic dismounted communications solution.

From the acquisition date, Kägwerks has been consolidated within the group's results and has been reported in the Communications segment in Note 2. The following summary provides current estimates of the major classes of consideration transferred, the estimated fair value of assets acquired and liabilities assumed and the estimated goodwill at the acquisition date.

	$000
Estimated fair value of consideration transferred	
Cash paid	**37,394**
Contingent consideration	**7,395**
Acquiree's cash balance at acquisition date	**(1,269)**
	43,520
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis	
Total assets	**31,820**
Total liabilities	**(12,820)**
	19,000
Estimated goodwill as a result of the acquisition	
Estimated fair value of consideration transferred	**43,520**
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis	**(19,000)**
	24,520

OTHER NOTES (continued)

32. ACQUISITIONS OF SUBSIDIARIES (continued)

The identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The contingent consideration is carried at fair value by using a "level 3" valuation method. Level 3 valuations are obtained from unobservable inputs to the market, with adjustment for risk factors and uses all reasonably available market and entity - specific information.

The goodwill is mainly attributable to Kägwerks' accreditation into US Department of Defence Program of Record and future sales opportunities arising from leveraging Codan's existing global distribution network with an international export version of its products. The goodwill is expected to be deductible for tax purposes.

The company acquired all of the shares in Zetron Limited (also referred to as Zetron UK) on 2 August 2023 and initially recognised the acquired assets and liabilities of Zetron Limited at their provisional fair values as disclosed in the FY24 annual report. 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 $000	Fair value adjustment $000	**Final fair value $000**
Estimated fair value of consideration transferred			
Cash paid	22,359	(1,105)	**21,254**
Acquiree's cash balance at acquisition date	(2,451)	-	**(2,451)**
	19,908	(1,105)	**18,803**
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis			
Total assets	13,623	(1,999)	**11,624**
Total liabilities	(15,323)	(613)	**(15,936)**
	(1,700)	(2,612)	**(4,312)**
Estimated goodwill as a result of the acquisition			
Estimated fair value of consideration transferred	19,908	(1,105)	**18,803**
Estimated fair value of identifiable assets acquired and liabilities	1,700	2,612	**4,312**
	21,608	1,507	**23,115**

33. SUBSEQUENT EVENTS

A final dividend was declared after the end of the financial year as disclosed in note 5.

The group's banking facilities were renewed after 30 June 2025 as disclosed in note 9.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

as at 30 June 2025

Entity Name	Body corporate, partnership or trust	Place incorporated / formed	Percentage of share capital held by the company in the body corporate	Australian or Foreign resident	Jurisdiction of Foreign Resident
Broadcast Wireless Systems Limited	Body Corporate	UK	100	Foreign	UK
Codan (US) Inc	Body Corporate	USA	100	Foreign	USA
Codan Defence Electronics Pty Ltd	Body Corporate	Australia	100	Australian	n/a
Codan Executive Share Plan Pty Ltd	Body Corporate	Australia	100	Australian	n/a
Codan Employee Share Plan Trust	Trust	Australia	n/a	Australian	n/a
Codan Limited	Body Corporate	Australia	Parent	Australian	n/a
Codan Radio Communications ME DMCC	Body Corporate	UAE	100	Foreign	UAE
Codan Radio Communications Pty Ltd	Body Corporate	Australia	100	Australian	n/a
Codan UK Ltd	Body Corporate	UK	100	Foreign	UK
Corp Ten International Inc	Body Corporate	USA	100	Foreign	USA
Daniels Electronics Ltd	Body Corporate	Canada	100	Foreign	Canada
Domo Broadcast Holdings LLC	Body Corporate	USA	100	Foreign	USA
Domo Tactical Communications (DTC) Limited	Body Corporate	UK	100	Foreign	UK
Domo Tactical Communications (DTC) Pte Limited	Body Corporate	Singapore	100	Foreign	Singapore
DTC Communications Inc	Body Corporate	USA	100	Foreign	USA
DTC Group Holdings LLC	Body Corporate	USA	100	Foreign	USA
DTC International Holdings Ltd	Body Corporate	UK	100	Foreign	UK
DTC North America Holdings LLC	Body Corporate	USA	100	Foreign	USA
GeoConex LLC	Body Corporate	USA	100	Foreign	USA
MEP Surveillance Midco Inc	Body Corporate	USA	100	Foreign	USA
Minelab Americas Inc	Body Corporate	USA	100	Foreign	USA
Minelab de Mexico SA de CV	Body Corporate	Mexico	100	Foreign	Mexico
Minelab do Brasil Equipamentos Para Mineração Ltda	Body Corporate	Brazil	100	Foreign	Brazil
Minelab Electronics Pty Ltd	Body Corporate	Australia	100	Australian	n/a
Minelab Electronics UK Ltd	Body Corporate	UK	100	Foreign	UK
Minelab India Private Limited	Body Corporate	India	100	Foreign	India
Minelab International Ltd	Body Corporate	Ireland	100	Foreign	Ireland
Minelab MEA FZE	Body Corporate	UAE	100	Foreign	UAE
Minelab MEA General Trading LLC	Body Corporate	UAE	100	Foreign	UAE
Minelab Electronics Malaysia Sdn. Bhd.	Body Corporate	Malaysia	100	Foreign	Malaysia
SKT2 LLC - Kägwerks	Body Corporate	USA	100	Foreign	USA
Spectronic Denmark A/S	Body Corporate	Denmark	100	Foreign	Denmark
Wave Central LLC	Body Corporate	USA	100	Foreign	USA
Zetron Air Systems Pty Limited	Body Corporate	Australia	100	Australian	n/a
Zetron Australasia Pty Limited	Body Corporate	Australia	100	Australian	n/a
Zetron Eagle Limited	Body Corporate	UK	100	Foreign	UK
Zetron Inc	Body Corporate	USA	100	Foreign	USA
Zetron Limited	Body Corporate	UK	100	Foreign	UK

Key Assumptions and Judgements

Determination of Tax Residency:

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is: (a) an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or (b) a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency - The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

*In December 2024, the Government enacted amendments to clarify CEDS disclosures for financial year commencing on or after 1 July 2024. Amendments and clarifications include:

- CEDS must identify whether each entity is an Australian tax resident and any foreign jurisdictions where they are tax residents;
- When partnerships and trusts that are part of the consolidated entity are Australian residents for the purposes of the disclosures.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

1. In the opinion of the directors of Codan Limited ("the Company"):

   a) the consolidated financial statements and notes that are set out on pages 32 to 69 and the remuneration report on pages 5 to 23 in the directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   b) the consolidated entity disclosure statement as at 30 June 2025 set out on page 70 is true and correct; and

   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the Company and the group entities identified in note 22 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2025.

4. The directors draw attention to note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Mawson Lakes this 20th day of August 2025.

G R C Barclay
Director

A Ianniello
Managing Director & CEO

This is the original version of the Directors Declaration signed by the Directors on 20 August 2025. Page references should be read as follows to correct references now that the financial statements have been presented in the context of the Annual Report in its entirety: 1a) the consolidated financial statements and notes are set out on pages 82 to 117 as opposed to 32 to 69 outlined above and the Remuneration Report is set out on pages 61 to 76 as opposed to 5 to 23 outlined above.
1b) the consolidated entity disclosure statement as at 30 June 2025 is set out on page 117 as opposed to 70 outlined above.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the shareholders of Codan Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Codan Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 June 2025;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards.* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Goodwill – Impairment Assessment; and
- Revenue recognised over time – Communications.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (continued)

KPMG

Goodwill – Impairment Assessment ($323.5 million)	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 36% of total assets) and judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in the value in use models, including: • Forecast operating cashflows, particularly revenue growth rates – the Group's models are highly sensitive to changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the strategy of the business. • Discount rates – these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time. The Group's modelling is sensitive to changes in the discount rate. We involved valuation specialists in assessing this. • Determination of CGUs – the impact of the continued integration of existing and acquired businesses, product lines and locations, and the acquisition of Kägwerks during the year on the determination of the Group's CGUs requires significant judgement. This drives additional audit effort by senior audit team members. The Group uses complex models to perform their annual testing of goodwill for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. We involved senior audit team members in assessing this key audit matter.	Our procedures included: • We assessed the appropriateness of the Group's accounting policies against the requirements of the accounting standards. • We considered the Group's determination of their CGUs, based on our understanding of the operations of the Group's business, the impact of the acquisition during the year, and how independent cash inflows were generated, against the requirements of the accounting standards. • We considered the appropriateness of the value in use method applied by the Group in the annual test of goodwill for impairment against the requirements of the accounting standards. • We assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value in use models to Board approved forecasts. • We used our knowledge of the Group, their past performance and our experience regarding the feasibility in the industry and economic environment in which the Group operates to challenge the Group's significant forecast cash flow and growth assumptions. • We assessed the accuracy of previous Group performance forecasts to inform our evaluation of forecasts incorporated in the models. • We considered the sensitivity of the models by varying key assumptions, such as forecast growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • We developed our own expectations for the significant forecast cash flow and growth assumptions, considering past results. • Working with our valuation specialists, we independently developed a discount rate range considered comparable, using publicly available market data for comparable entities, adjusted by risk factors for the Group. • We assessed the Group's composition of the assets and liabilities in the CGUs carrying values for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

KPMG

Revenue recognised over time – Communications ($88.7 million)	
Refer to Note 2 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Communications revenue recognised over time relating to Solutions (projects) is a key audit matter due to the significant judgement we have applied in assessing the recognition and measurement of this revenue. This was a result of the Group's policy to recognise revenue on a percentage of completion basis. This requires them to estimate the project cost to complete, as a component of the measurement of the percentage of completion. The estimation of cost to complete is prone to greater risk of error given the scale, complexity of projects and longer timeframes over which the projects lapse. Additional audit effort was required to evaluate the Group's estimations of cost to complete, percentage of project completion and therefore revenue recognised. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: • We considered the appropriateness of the revenue recognition method applied by the Group against the requirements of the accounting standards and our understanding of the business and industry practice. • We inspected a sample of executed customer contracts to understand the key terms of the arrangements and the performance obligations. • We obtained an understanding of the Group's processes over the preparation and oversight of estimated cost to complete and the allocation of expenses to projects. • We tested the accuracy of the underlying revenue data by tracing a sample of the contractual revenue to signed customer contracts. • We tested the accuracy of project related expenses by tracing a sample of expenses to underlying documentation such as supplier invoices and payroll records. • We tested the allocation of expenses to projects for a sample of materials and payroll costs. • We compared historical estimates of costs to complete to actuals costs incurred for a sample of completed projects to assess the Group's historical ability to forecast cost to complete, and therefore inform our assessment of estimations in the current year. • We compared estimated costs to complete for a sample of projects at 30 June 2025 to the budget. • We inquired of project managers for a sample of ongoing projects at balance date to understand the Group's assessment of project status and estimation uncertainties. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

Other Information is financial and non-financial information in Codan Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report and Remuneration Report. Codan FY25 Summary, Codan at a Snapshot, Chairman's Letter to Shareholders, CEO's Report, Metal Detection, Communications, Environmental, Social and Governance Report, Board of Directors, Leadership Team, ASX Additional Information and Corporate Directory are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error.
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Codan Limited for the year ended 30 June 2025 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 5 to 23 of the Directors' report for the year ended 30 June 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Julie Cleary
Partner

Sydney

20 August 2025

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules not disclosed elsewhere in this report is set out below.

Shareholdings as at 22 August 2025

Substantial shareholders

The numbers of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number of ordinary shares
P M Wall	34,808,151
Interests associated with Starform Pty Ltd, Dareel Pty Ltd and Pinara Group Pty Ltd	27,875,230

Distribution of equity security holders

Number of shares held	Number of equity security holders Ordinary shares	Issued Capital %
1 - 1,000	5,150	1.0%
1,001 - 5,000	2,818	3.9%
5,001 - 10,000	742	3.1%
10,001 - 100,000	646	8.6%
100,001 and Over	54	83.5%
Total	**9,410**	**100%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 264.

Securities exchange

The company is listed on the Australian Securities Exchange. The home exchange is Sydney.

Other securities on issue

The company has performance rights on issue in addition to ordinary shares.
The details of the securities held as at 22 August 2025 are as follows:

Class of security	Number of holders	Number of securities
Performance Rights	51	1,369,222

No voting rights attach to the above securities, however, any ordinary shares that are allotted to the holders of the securities upon vesting or conversion of the above mentioned securities will have the same voting rights as all other ordinary Codan shares.

Other information

Codan Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

On-market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

Name	Number of ordinary shares held	Issued Capital %
Mrs Pamela Maunsell Wall	34,808,151	19.2%
HSBC Custody Nominees (Australia) Limited	28,005,446	15.4%
J P Morgan Nominees Australia Pty Limited	18,169,541	10.0%
Citicorp Nominees Pty Limited	16,304,695	9.0%
Starform Pty Ltd	6,404,224	3.5%
Kynola Pty Ltd	5,627,548	3.1%
Dareel Pty Ltd <Campion College No 3 A/C>	4,503,378	2.5%
Dareel Pty Ltd <Campion College No 2 A/C>	4,503,378	2.5%
Dareel Pty Ltd <Campion College No 4 A/C>	4,503,378	2.5%
Dareel Pty Ltd <Campion College No 1 A/C>	4,503,378	2.5%
Mr Andrew Bettison <Andrew Bettison Family A/C>	3,562,124	2.0%
Tamborine Pty Ltd <Heard SF A/C>	2,000,000	1.1%
National Nominees Limited	1,883,499	1.0%
BNP Paribas Noms Pty Ltd	1,852,567	1.0%
Est Mr John Allan Uhrig	1,400,048	0.8%
Rosevine Pty Ltd <Rosevine A/C>	1,107,254	0.6%
Cedara Pty Ltd <The Cedar A/C>	1,050,000	0.6%
Mr Giles Edward Bettison <Giles Bettison Family A/C>	1,024,000	0.6%
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	1,004,989	0.6%
Pinara Group Pty Ltd	749,564	0.4%
Total	**142,967,162**	**78.7%**

OFFICES AND OFFICERS

Company Secretary

Michael Barton BA (ACC), CA
Daniel Widera LLB/LP, Harvard PLD

Principal registered office

Technology Park
2 Second Avenue
Mawson Lakes, South Australia 5095

Telephone: (08) 8305 0311

Facsimile: (08) 8305 0411

Internet address: www.codan.com.au

Location of share registry

Computershare Investor Services Pty Limited
GPO Box 1903
Adelaide, South Australia 5001

CORPORATE DIRECTORY

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Directors

Graeme Barclay (Chairman)
Alf Ianniello (Managing Director and Chief Executive Officer)
Kathy Gramp
Sarah Adam-Gedge
Heith Mackay-Cruise

Company Secretary

Michael Barton
Daniel Widera

Principal registered office

Technology Park
2 Second Avenue
Mawson Lakes, South Australia 5095

Auditor

KPMG
151 Pirie Street
Adelaide, South Australia 5000

Location of share registry

Computershare Investor Services Pty Limited
GPO Box 1903
Adelaide, South Australia 5001

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