



Annual Report 2026

CODAN

Codan is a global technology group. Our purpose is to turn innovation into real-world impact.

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 11:00am on Tuesday, 20 October 2026 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/MSVY7GT>

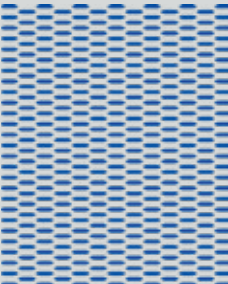
Codan FY26 Summary



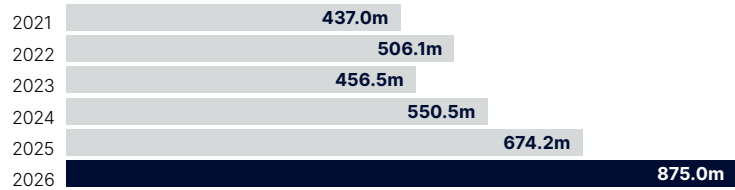
CODAN LIMITED

Founded in 1959 and headquartered in South Australia, Codan Limited (ASX:CDA) is a global technology group that builds and invests in innovative businesses in communications, detection and connection.

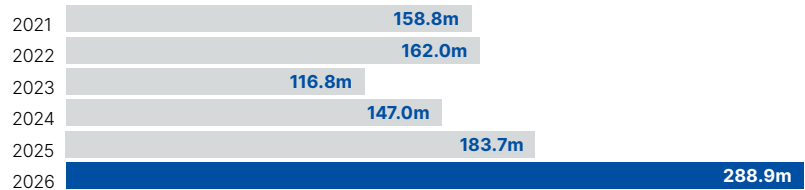
Codan is recognised for innovation, technology leadership and the ability to develop and commercialise high performance intellectual property in demanding global markets. We have operations and customers spanning more than 150 countries, and a team of over 1,100 people across Australia, the US, Europe and other key locations.



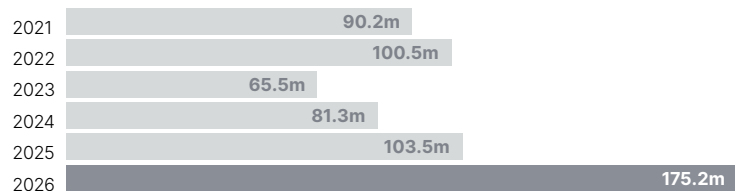
Operating Revenue

\$875.0m

EBITDA

\$288.9m

NPAT

\$175.2m

Results for the year ended 30 June	2026	% of sales	2025	% of sales	2024	% of sales	2023	% of sales	2022	% of sales	2021	% of sales
Revenue												
Communications	\$506.2m	57.9%	\$413.5m	61%	\$326.9m	59%	\$274.5m	60%	\$241.7m	48%	\$95.5m	22%
Metal Detection	\$362.0m	41.4%	\$254.8m	38%	\$219.9m	40%	\$176.1m	39%	\$262.3m	52%	\$326.5m	75%
Other	\$6.8m	0.7%	\$5.9m	1%	\$3.7m	1%	\$5.9m	1%	\$2.1m	0%	\$15.0m	3%
Total revenue	\$875.0m	100%	\$674.2m	100%	\$550.5m	100%	\$456.5m	100%	\$506.1m	100%	\$437.0m	100%
EBITDA	\$288.9m	33%	\$183.7m	27%	\$147.0m	26%	\$116.8m	26%	\$162.0m	32%	\$158.8m	36%
EBIT	\$244.1m	27.9%	\$146.0m	22%	\$113.9m	21%	\$88.9m	19%	\$137.4m	27%	\$139.8m	32%
Interest	(\$7.9)m		(\$12.1)m		(\$9.4)m		(\$5.3)m		(\$1.7)m		(\$1.1)m	
Net profit before tax	\$236.2m	27%	\$133.9m	20%	\$104.5m	19%	\$83.6m	18%	\$135.7m	27%	\$138.7m	32%
Taxation	(\$61.1)m		(\$30.4)m		(\$23.2)m		(\$17.4)m		(\$35.2)m		(\$41.4)m	
Net profit after tax	\$175.2m	20%	\$103.5m	15%	\$81.3m		\$65.5m		\$100.5m		\$90.2m	
Earnings per share, fully diluted	95.9c		56.8c		44.8c		36.2c		55.6c		53.8c	
Ordinary dividend per share	48.5c		28.5c		22.5c		18.0c		28.0c		27.0c	

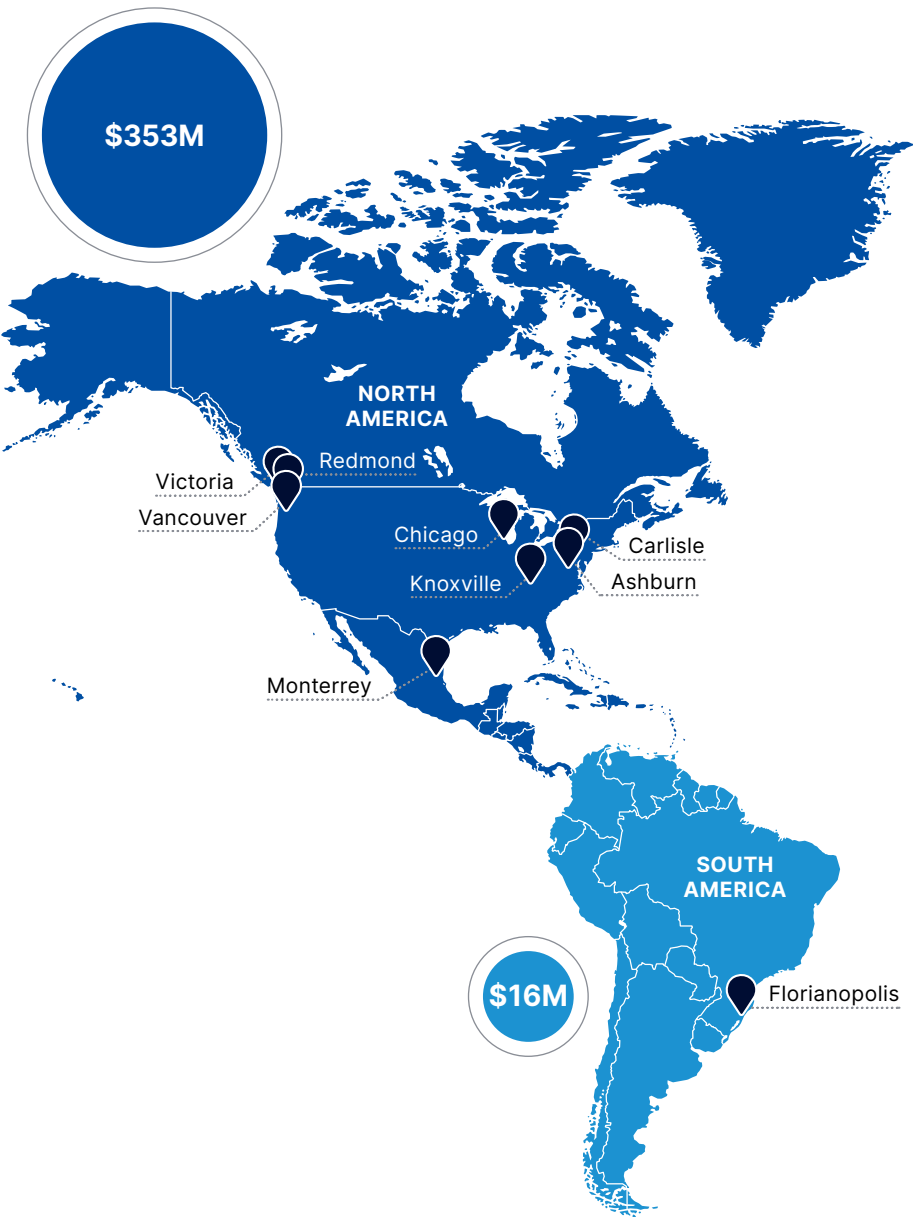
Codan at a Snapshot

Global sales

Total sales revenue
\$875M



Africa	\$199M
Asia	\$45M
Australia	\$71M
Europe and the Middle East	\$191M
North America	\$353M
South America	\$16M



Business segment sales

Communications
58%

Metal Detection
42%

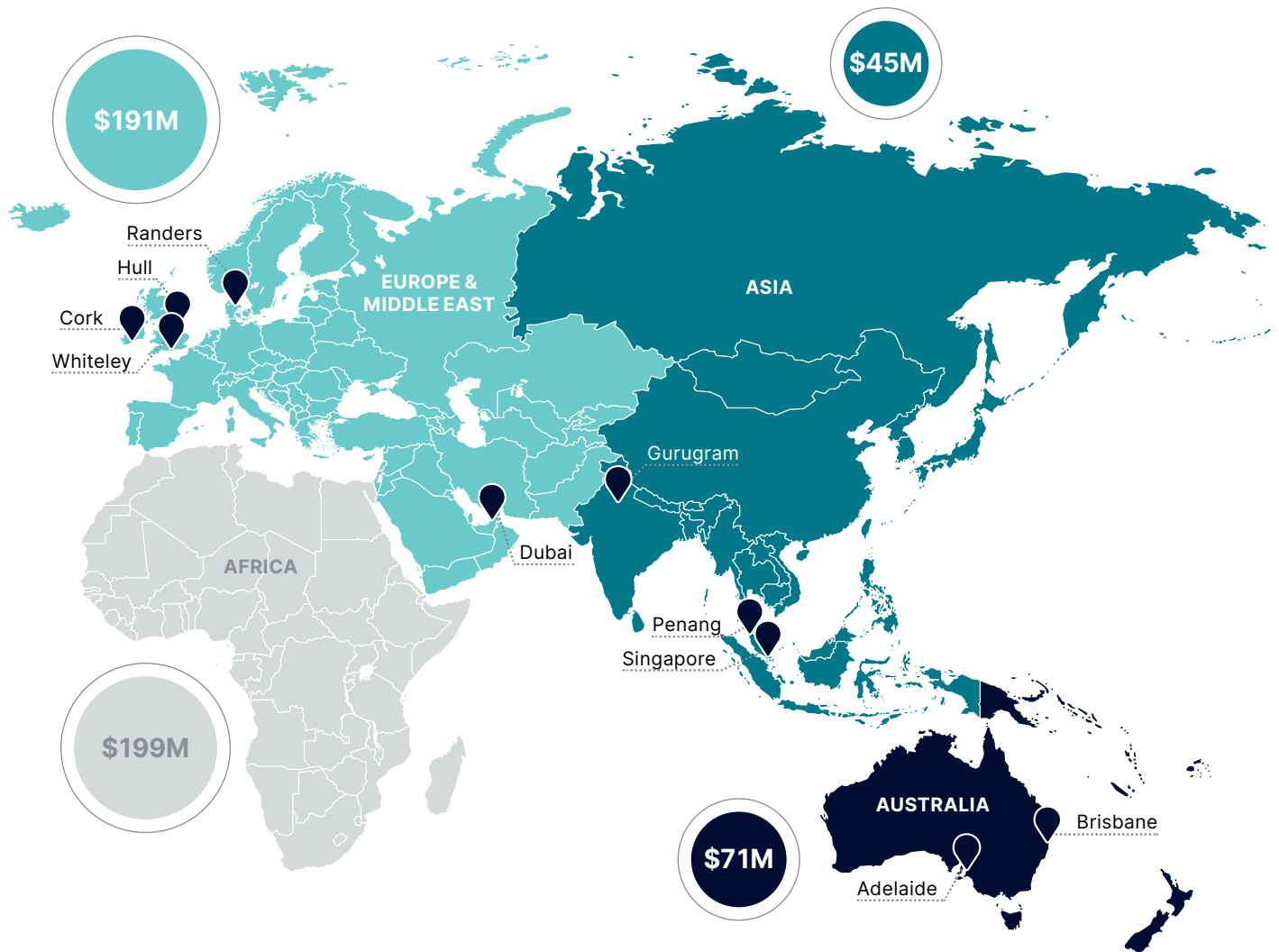
Our global technology business

1,100+
total employees

300+
engineers

7
key manufacturing
sites

19
sales offices



Invest in ourselves



\$78M

invested in R&D



9%

engineering % to sales

Chair and CEO's Letter to Shareholders



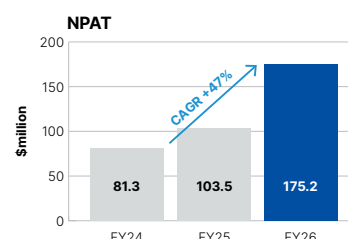
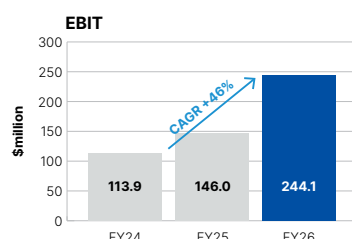
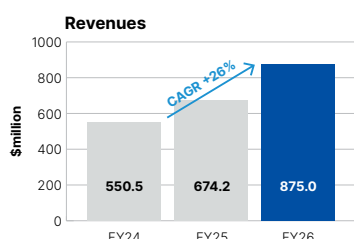
Dear Shareholders,

On behalf of the Codan Board and Executive team, we are pleased to present our Annual Report for the year ended 30 June 2026.

Financial Performance

FY26 has been an outstanding year for Codan, achieving substantial growth in group revenues (+30% v pcp), group EBIT (+67% v pcp) and group NPAT (+69% v pcp), and H2 also showed strong growth across all metrics compared to H1. Both Group EBIT and NPAT for the full-year were slightly above our guidance provided to the market on 29 April 2026. Notably, FY26 has been Codan's most successful year on record, in terms of group revenues, EBIT and NPAT.

	CAGR FY24 to FY26 %	FY26 \$'M	FY26 H2 \$'M	FY26 H1 \$'M	FY25 \$'M	FY24 \$'M
Revenues	+26%	875.0	481.5	393.5	674.2	550.5
EBIT	+46%	244.1	144.3	99.8	146.0	113.9
NPAT	+47%	175.2	104.0	71.2	103.5	81.3



Year in Review

Our Communications segment, which includes DTC and Zetron, achieved revenue of \$506.2 million, up 22% on FY25 and slightly above the top end of the targeted FY26 15% to 20% range, driven primarily by strong demand for unmanned radio systems. Communications' segment profit increased by 45% to \$156.0 million with segment profit margins expanding to 31%, up from 26% in the pcp, reflecting favourable product sales mix and operating leverage. Pleasingly, the segment exceeded the achievement of 30% end of FY27 profit margin target by 18 months. Revenue from defence customers represented 58% of total Communications revenue (up from 38% in

FY25), underscoring the increasing importance of this vertical to Codan and reflecting the global tailwinds of sovereignty and increased defence spending commitments. Communications' orderbook grew to \$380 million at 30 June 2026 (up 50% versus 30 June 2025 and up 29% versus 31 December 2025), driven by a strong uplift in order intake across both DTC and Zetron.

DTC delivered another exceptional result in FY26, underpinned by defence and unmanned radio systems applications demand across all geographies. Revenue from the high-growth unmanned sector more than doubled to approximately \$215 million versus the pcp. Product innovation throughout the year included

ongoing development of multi waveform radios, along with enhancements to the existing BluSDR™ radio range. This innovation led to DTC securing its first orders for the sale of radios into multiple programs of record (PORs) for US military initiatives to drive sovereignty.

In May 2026, Codan announced the acquisition of Adaptive Dynamics, a US-based engineering company specialising in the development of anti-jamming and interference mitigation technologies critical to the resilience of tactical communications. The acquisition, which completed at the end of July 2026, is expected to meaningfully enhance DTC's US-based technical capabilities in unmanned systems and strengthen its ability to compete for next-generation US and allied defence programs.

In H1 FY26, Zetron was impacted by a temporary slowdown in federal procurement and contracting cycles in the US. H2 revenue was broadly in line with H1, as guided in the trading update

released on 29 April 2026. Positively, order intake strengthened towards the end of H2, resulting in a 25% increase in Zetron's orderbook at 30 June 2026 versus 30 June 2025. Key wins included a \$19 million contract with one of the largest utilities on the US east coast and an \$11 million mission critical services contract with the UK Emergency Services Network.

Minelab's full-year results were exceptional, with revenue up 42% to \$362.0 million and segment profit of \$162.4 million, up 65% on FY25. Segment profit margin increased to 45%, up from 39% in the pcp, driven by revenue growth, product mix and operating leverage. Minelab successfully launched four new products in FY26 in the gold, recreational and countermining markets, including the new flagship GPZ8000 gold detector, the Gold Monster 2000, the Vanquish 60 and Countermining's MDS-20 detector. These launches reflect Minelab's global technology leadership across its detection portfolio.



GPZ8000



MDS-20



Vanquish 60



Gold Monster 2000

CHAIR AND CEO'S LETTER TO SHAREHOLDERS

Minelab's rest of world business achieved significant growth in FY26, increasing revenue by 32% versus FY25, driven primarily by strong take-up of the GPZ8000 as well as the Gold Monster 2000. Resounding user feedback for the GPZ8000 is that it represents a significant advancement in performance, particularly in highly challenging ground conditions. Minelab also meaningfully expanded its distribution footprint and retail presence in Australia and North America in FY26.

Minelab Africa delivered another outstanding full-year performance, with revenue increasing in all regions to approximately \$184 million, up 60% on FY25. The Gold Monster 2000 was launched successfully, exceeding business case expectations with widespread feedback regarding its ability to detect very fine gold deposits in previously explored areas.

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 48.5 cents fully franked, comprising the interim dividend of 19.5 cents and the final dividend announced in August 2026 of 29.0 cents, representing an increase of 70% compared to pcp.

Shareholder Returns

FY26 has been an excellent year for Codan shareholders, with EPS growing by 69% and dividends per share growing by 70%, compared to pcp. In addition, Codan's share price increased approximately 119% to \$44.14 at 30 June 2026, compared to \$20.11 at 30 June 2025. Between FY24-FY26 Codan achieved a TSR of 486%, a performance that we are extremely proud of and that ranked Codan as #1 in its peer group for relative TSR over the 3-year period.

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 FY26 we have successfully continued to improve the quality of Codan's earnings and delivered substantial profit growth.

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, and how successful we are at executing on our strategy will have a significant impact on how investors value the Codan group. We have a well-developed and articulated strategy that the Board and Executive team believes will enable Codan to continue to excel and deliver on our revenue and earnings growth targets. Additionally, we have aligned the incentive remuneration of our Executive team to continuing to deliver superior returns for shareholders.

Strategy

Our strategy of 'Building a Stronger Codan' remains focused on three core pillars that drive long term value:

- Investing in ourselves,
- Strengthening our core businesses, and
- Disciplined capital allocation.

We apply this framework in making our strategic choices, including strengthening our systems, processes and people, sustaining engineering investment in innovation and product development to maintain our competitive position across all segments, and geographic expansion in new and adjacent markets, primarily within developed markets. We will invest where we see compelling returns – whether in R&D, market development, or inorganic growth opportunities – and we will rigorously evaluate capital and operating expenditure against our strategic objectives. Over time, this approach is building a larger, more resilient and diversified earnings base with improved visibility and quality.

Where we identify acquisition opportunities that allow us to expand our addressable markets, cost effectively accelerate differentiated product development, fill technology gaps or 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.

Our track record of successfully acquiring and integrating businesses into Codan, leveraging the group's complementary technologies and international distribution network, is a competitive advantage and provides us with confidence we can continue to create value for shareholders through inorganic growth. Our balance sheet is in a very strong position, with net cash of \$35.7 million and substantial funding capacity, including a \$250 million total debt facility and a further \$150 million in accordion capacity available subject to bank approval. These facilities provide Codan with financial flexibility to pursue strategic inorganic growth opportunities.

ESG Initiatives

Since FY23, we have progressively matured our voluntary climate-related disclosures. FY26 marks an important milestone for Codan as our first year of mandatory climate-related financial reporting and the publication of our first mandatory Sustainability Report. We have strengthened the collection of Scope 1, Scope 2 and Scope 3 emissions data, assessed climate-related risks and opportunities, reviewed how those matters are incorporated into our broader risk-management processes, engaged with key suppliers and conducted climate scenario analysis.

Under the social pillar, we continued our long-standing support for a range of organisations – Variety, Youth Opportunities, KickStart for Kids, Hutt St Centre and Catherine House. From an education perspective, we deepened our investment in STEM – through university scholarships, student mentoring, and industry engagement. Also in FY26 we awarded the inaugural Codan Founders' PhD scholarship, which is a significant milestone for us and acknowledgement of the legacy of our founders. We also continued our support for Yalari and Indigenous education scholarships.

Our commitment to sustainability not only aligns with our corporate values but we recognise it is required to drive long-term value.

Codan's People and Values

These outstanding FY26 results could not have been achieved without the contribution, expertise and effort of our people across the globe. Our employees are the cornerstone of our success, and we are committed to nurturing a positive and inclusive workplace. The commitment of our employees is evident in their dedication to high performance, the quality of our products and the way they support our customers' experience of Codan's products. On behalf of the Board and the leadership team, we extend our sincere gratitude to our employees for their hard work and approach to solving complexity every day through effort and ingenuity.

We foster a culture of continuous learning by setting ambitious goals and pushing ourselves to surpass expectations. Our customer-driven approach ensures we understand our customers' needs, exceed their expectations, and build long-lasting relationships. Trust and integrity are fundamental to our business; we uphold the highest ethical standards and make the right choices, even when faced with challenges. Additionally, we embrace a 'can-do' attitude, encouraging our team to think creatively, take calculated risks, and view challenges as opportunities for growth.

Our values are not just words on a wall but guiding principles that shape our discussions, decisions and interactions. By embracing these values, we create a culture of excellence, collaboration, and integrity that sets Codan apart in the industry and helps shape our future.

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. The Board thanks Alf for his leadership of Codan's high calibre Executive team, which has expertly led the implementation of Codan's strategy and positioned us for significant future growth and value creation.

CHAIR AND CEO'S LETTER TO SHAREHOLDERS

Outlook (as at 20 August 2026)

Looking ahead, Codan enters FY27 with confidence and optimism, as the Group continues to deliver on the strategy of Building a Stronger Codan.

Market conditions remain positive across both Communications and Metal Detection. Elevated defence spending and ongoing geopolitical tensions globally continue to generate strong demand for unmanned systems, while Minelab benefits from demand for its market-leading products and a favourable gold price. Some constraints are emerging across certain parts of the global electronics supply chain, which we are monitoring for any impact to Codan operations.

The Communications business targets long-term sales growth of between 10% and 15% per annum and, as demonstrated over FY24 to FY26, this target growth range can be exceeded. As a result of the unprecedented levels of demand we are experiencing primarily in unmanned systems, we expect the first half of FY27 to significantly exceed the first half of FY26. Given the strong start to the year, subject to related supply chain constraints resulting from ongoing order momentum, we are currently targeting full-year FY27 revenue growth in the order of 20%.

Minelab is well positioned for FY27, with a full 12-month contribution from recently launched products. Early H1 FY27 market conditions have been positive, with strong demand in particular

for the new GPZ8000 and Gold Monster 2000 detectors. As a result, both Africa and RoW are currently tracking broadly in line with H2 FY26 revenue run-rates. Overall, Minelab's H2 FY26 average monthly run-rate was approximately \$32 million, 15% higher than H1 FY26.

The Board will provide a further business update at the Annual General Meeting on 20 October 2026.

Summary

In closing, we want to emphasise that Codan's FY26 achievements position us exceptionally well for further growth into the future. We have a clear strategy, strong market tailwinds in core areas, and a team that has consistently proven its ability to execute and adapt. Our company's 67-year history has taught us the importance of continuous improvement and innovation, earning and retaining customer trust, and resilience – these qualities remain at the heart of Codan. We are confident that by building on the successes of this past year, we will continue to deliver growth and create value in FY27 and beyond. Current industry trends – from increases in defence spending to sovereign capability to the gold price and the shift to modern cloud-based and AI-enabled applications in public safety – provide a favourable environment, but it is our unyielding focus on our customers and our continuous improvement mindset that differentiates Codan in the markets we operate in.

Thank You

We greatly 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 team are committed to accretively and sustainably growing financial returns for shareholders, which we will deliver by successfully executing on Codan's strategy. We look forward to providing a trading update at our FY26 AGM in October.



Graeme Barclay
Chair

20 August 2026



Alf Ianniello
Managing Director & CEO

"We have a clear strategy, strong market tailwinds in core areas, and a team that has consistently proven its ability to execute and adapt. Our company's 67-year history has taught us the importance of continuous improvement and innovation, earning and retaining 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.

FY26 Summary

- Continued innovation, coupled with global market expansion and deeper customer engagement.
- Successful introduction of the VANQUISH® 60 Series, GOLD MONSTER® 2000, GPZ® 8000 and MDS-20® strengthened our leadership across key detecting segments.
- Ongoing investment in digital capability, regional expansion and customer experiences broadened market reach.
- Across Africa, Europe, the Americas, India and Australia, we continued to strengthen our commercial presence and deepen engagement with detectorists, dealers and humanitarian demining partners.

FY27 Objectives

- Extend our omnichannel footprint in North America, Europe, and Latin America spanning retail, e-commerce, and dealer channels.
- Deepen participation within artisanal gold markets via Gold Odyssey, strategic dealer partnerships, and last-mile engagement throughout Africa, Latin America, and Asia-Pacific.
- Cultivate a differentiated pipeline of new product innovations, cementing Minelab's technology leadership in our core markets.
- Fortify Minelab's leadership position in Australia with strategic retail and dealer partnerships.
- Enrich customer engagement encompassing The Realm by Minelab, Race to The Realm, and Goldfields of Fortune as defining experiences within the Minelab ecosystem.
- Scale commercial capability within priority Asia-Pacific markets via targeted channel development and investment in market infrastructure.
- Leverage our Marketing Technology ecosystem for richer customer insight, with personalised engagement and a connected customer experience.
- Amplify Countermine's presence throughout humanitarian demining and defence markets to accelerate end-user adoption of mission-critical detection capability.



METAL DETECTION



Demand for advanced metal detection technologies across recreational, gold prospecting and humanitarian demining markets continues to accelerate. During FY26, Minelab responded to increasing customer appetite for advanced detection solutions through enhanced dealer networks, localised digital experiences and proprietary online platforms. In Africa, ongoing investment in the artisanal mining segment broadened adoption across established and emerging markets. Continued investment in digital channels and retail partnerships bolstered our ability to reach new customers and cultivate stronger relationships within the detecting community in key consumer markets.

Innovation remained central to Minelab's strategy throughout FY26. The launch of the VANQUISH 60 Series, GOLD MONSTER 2000, flagship GPZ 8000 and MDS-20 expanded our portfolio across the full spectrum of detecting applications, introducing technologies engineered for a diverse

range of customer needs. The introduction of The Realm by Minelab™ mobile app further enhanced our digital ecosystem, empowering detectorists with new ways to connect, learn and share their experiences. In Europe, new localised direct-to-consumer websites improved online customer experience across multiple markets. Ongoing investment in engineering capability, dealer development and customer service strengthened our competitive position and expanded our technological leadership globally.

Commercial momentum continued throughout global operations during FY26. Regional expansion in Africa solidified our presence across the continent, with ongoing growth in North America, Europe, Latin America and India as market reach broadened and customer engagement advanced. The Realm by Minelab, together with The Race to The Realm marketing initiative, accelerated adoption of our digital platform and augmented participation amongst

the detecting community. Customer engagement was further enhanced through 'Goldfields of Fortune', an immersive in-person event that showcased the GOLD MONSTER 2000 in real-world conditions while bringing detectorists together through a unique gold prospecting experience underpinned by the event's grand prize.

Minelab's continued investment in technology, digital capability and customer engagement reinforces Codan's strategy of delivering sustainable growth through market-leading innovation. By expanding access to advanced detection technologies and enhancing connections with customers across global markets, the division is well positioned to capture future growth opportunities while maintaining its leadership across recreational, gold prospecting and humanitarian demining applications.

"FY26 demonstrated the strength of our innovation pipeline and the value of investing in both technology and customer experience. By continuing to evolve our products, digital capabilities and global reach, we are strengthening Minelab's position for long-term, sustainable growth."

Ben Harvey, Minelab President & Executive General Manager



METAL DETECTION CASE STUDY

Goldfields Of Fortune



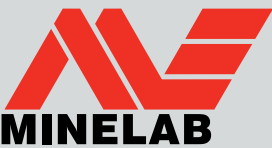
Goldfields of Fortune marked a new chapter in Minelab’s event strategy, bringing together the excitement of live competition, product experience and community engagement in one high-impact activation. Taking place in Sandy Valley, Nevada, USA, the event gave detectorists from across the country the opportunity to search for real gold using the new GOLD MONSTER® 2000, with a grand prize in gold coins awaiting one successful participant.

The event was designed to showcase the performance and accessibility of the GOLD MONSTER 2000 in a true goldfield environment. Participants searched across desert terrain for hidden vials containing gold and other metals, with every discovered vial building anticipation throughout the competition. The format encouraged participants to rely on skill, persistence and detector capability, while creating an immersive gold prospecting experience for both new and experienced users.

The search reached its defining moment when the champion uncovered the grand prize. Remarkably, the GOLD MONSTER 2000 was his first detector, making his win a powerful demonstration of the product’s ease of use and ability to make gold prospecting more accessible to a broader audience. Across the field, many participants also recovered gold vials of their own, contributing to a strong sense of achievement and discovery throughout the event.

The event extended beyond the hunt itself, with additional contests, Minelab giveaways, exclusive offers and commemorative items including custom patches and a Goldfields of Fortune belt buckle. Following the event, the prize was personally presented to the winner, for a memorable conclusion that reflected the authenticity of the initiative.

Goldfields of Fortune strengthened Minelab’s connection with the detecting community and highlighted the enduring appeal of gold prospecting. Through the GOLD MONSTER 2000, the event demonstrated how advanced technology, meaningful customer experiences and real rewards can inspire the next generation of detectorists.





Communications

DTC

A CODAN COMPANY

ZETRON

Our Communications division, comprising DTC and Zetron, continues to deliver mission-critical solutions for global defence, security, humanitarian, and public safety markets.

Serving customers in more than 150 countries, the division combines deep engineering expertise with differentiated technologies to address increasingly complex operational challenges.

During FY26, strong growth was driven by increasing global defence investment, major international public safety contract wins and continued innovation across secure communications, command and control, and autonomous systems, further strengthening Codan's position as a trusted global leader in mission-critical communications.

FY26 Summary

DTC:

- Exceptionally strong DTC performance, underpinned by rising global defence expenditure.
- Continued growth in unmanned systems with revenue exceeding \$200m (AUD). This doubling of prior year revenue was underpinned by the release of new products and the continual iteration of software features.
- Integration of Kägwerks into DTC's North American structure, and commencement of deliveries into the Nett Warrior Program of Record.
- Continued investment in the US front-end capabilities to accelerate growth across priority markets.
- Product development driving success in real world conflict environments enabled by size, weight, power and cost optimised platforms.
- Product manufacturing now spread across three continents to provide supply chain resilience and support sovereign capability.

FY27 Objectives

DTC:

- Investment in key functions and geographies to drive continued and sustainable growth.
- Strong focus on strategic investment in engineering and sales front-end to support further market expansion and entry into new geographies and programs.
- Expansion of DTC's North American Special Security Agreement (**SSA**) enabling access to a wider variety of US DoD programs.
- Kägwerks activity driven by strong Nett Warrior backlog, as well as ongoing Brigade expansion and smaller programs for Soldier Borne Mission Compute, 5G Capability upgrade, Drone Controllers.
- Broadening of product portfolio and capability enabling DTC to offer a broader range of applications.
- Expand manufacturing capacity and strengthen supply chain partnerships to maintain high product availability, reduce lead times and differentiate DTC in rapidly evolving markets.

Zetron:

- Strong international growth, product innovation, and operational investment.
- Major contract wins in the United Kingdom drove approximately 40% year-over-year growth in EMEA orders.
- Key milestones including the New Zealand Public Safety Network (NZPSN) cutover, CAD2UK launch, and MT-5 release strengthened Zetron's market position.
- Investments in customer success and leadership further supported growth, with the business closing FY26 with substantial year-over-year growth in its orderbook.
- Key wins include:
 - Int'l: UK Home Office, London Underground, NZPSN ACOM, major international airline ACOM
 - NA LMR: Sedona, AZ Fire and Police; Douglas County, CO - South Metro Fire; City of Prineville, OR; Herkimer County, NY; Jackson County, WV
 - NA C+C: Santa Cruz Regional 911, CA; RiverCom 911, WA

Zetron:

- Executing a North American go-to-market reset to strengthen market penetration and improve sales effectiveness, while capitalising on growth opportunities in the state of Iowa and pursuing strategic opportunities such as state-wide programs.
- Continue driving adoption of the SALUS platform and CAD solutions, targeting both existing and new customers.
- Investments in CAD2UK and cloud-native capabilities position the company to expand its presence across the UK and broader international markets.
- In the land mobile radio market, FY27 will see the full commercial launch of the MT-5 platform and an increased focus on US federal opportunities.
- Zetron will continue investing in customer success, program delivery excellence and operational leadership to ensure strong customer outcomes and long-term retention.
- Combined with a growing orderbook, all these initiatives position Zetron to accelerate growth and its global footprint throughout FY27.

COMMUNICATIONS

DTC

DTC is a leading provider of secure, mission-critical communications solutions serving the defence, public safety, broadcast and commercial markets globally. With operations in the United Kingdom, the United States and Australia, DTC delivers technologies that enable reliable communications, resilient networking and enhanced situational awareness across complex operational environments. Trusted by elite forces and agencies worldwide, DTC's technologies enable operational superiority in the most complex environments—on land, at sea and in the air.

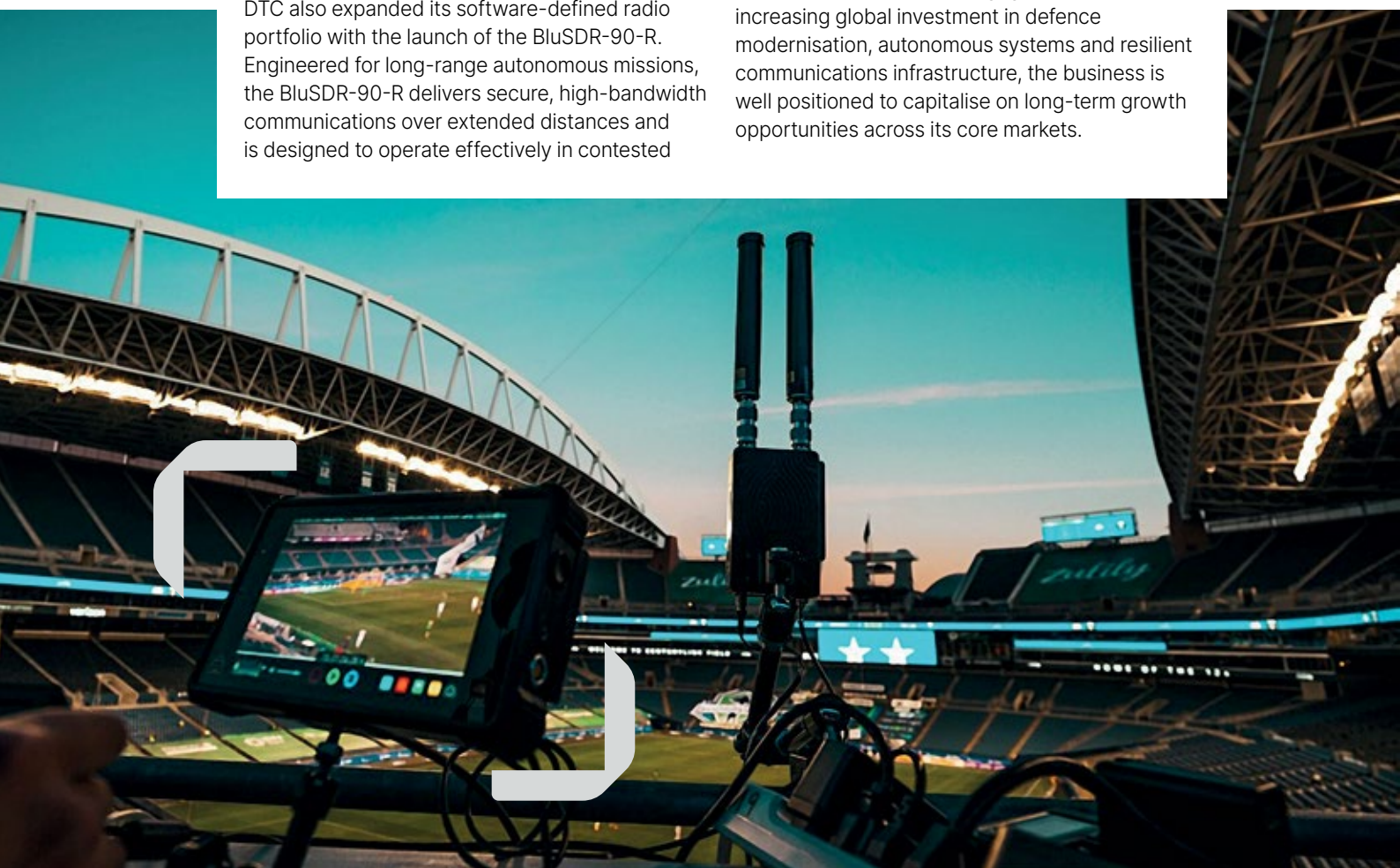
Product innovation remained a key focus throughout the year. DTC introduced the BLUTRAK-90, an autonomous tracking antenna designed to maintain reliable communications links for unmanned aerial systems (**UAS**). The addition of BLUTRAK-90 strengthens DTC's growing unmanned systems portfolio and addresses increasing demand for resilient communications solutions supporting autonomous and beyond-line-of-sight operations.

DTC also expanded its software-defined radio portfolio with the launch of the BluSDR-90-R. Engineered for long-range autonomous missions, the BluSDR-90-R delivers secure, high-bandwidth communications over extended distances and is designed to operate effectively in contested

electromagnetic environments. Built on DTC's proven MeshUltra™ mobile ad hoc networking (**MANET**) technology, the platform provides resilient, self-forming and self-healing networking capabilities, supporting the increasing adoption of autonomous systems across defence and security applications.

Complementing its hardware portfolio, DTC launched the ATAK-Mesh Plugin, providing enhanced integration between DTC IP Mesh radios and the Android Team Awareness Kit (**ATAK**) ecosystem. The software delivers improved network visibility, remote radio management, spectrum monitoring and configuration capabilities, enabling operators to better understand, manage and optimise communications networks during mission execution. This capability further strengthens DTC's integrated software and networking offering and supports growing demand for interoperable, software-enabled mission systems.

DTC remains focused on disciplined execution of its growth strategy through continued investment in product innovation, operational capability and customer engagement. With increasing global investment in defence modernisation, autonomous systems and resilient communications infrastructure, the business is well positioned to capitalise on long-term growth opportunities across its core markets.





“DTC delivered exceptional growth in FY26, underpinned by increased global defence investment, strong demand for unmanned systems and continued product innovation. Our investments in market access, expanded capabilities and manufacturing resilience provide a strong platform to scale the business, capture opportunities across priority defence programs and deliver sustainable long-term value.”

Paul Sangster, DTC President & Executive General Manager

Enabling Collaborative Maritime Autonomy Through Resilient Communications

Facing increasingly complex maritime communications challenges, FLANQ and CiS required secure, resilient communications to enable collaborative autonomous operations across air and sea domains. DTC delivered the BluSDR® Software Defined Radio mesh datalinks, providing assured connectivity that enabled real-time data sharing, enhanced situational awareness, and strengthened operational effectiveness in contested environments.

As maritime operations become increasingly complex, customers require autonomous systems capable of monitoring large areas while delivering timely, reliable information to operators. DTC was engaged to provide the communications capability needed to connect FLANQ's uncrewed surface vehicle and CiS' aerial platform into a collaborative autonomous system. Using the BluSDR® Software Defined Radio technology, DTC enabled secure, resilient, and low-latency communications between distributed assets, supporting continuous situational awareness and coordinated operations in maritime environments where communications infrastructure may be limited or unreliable.

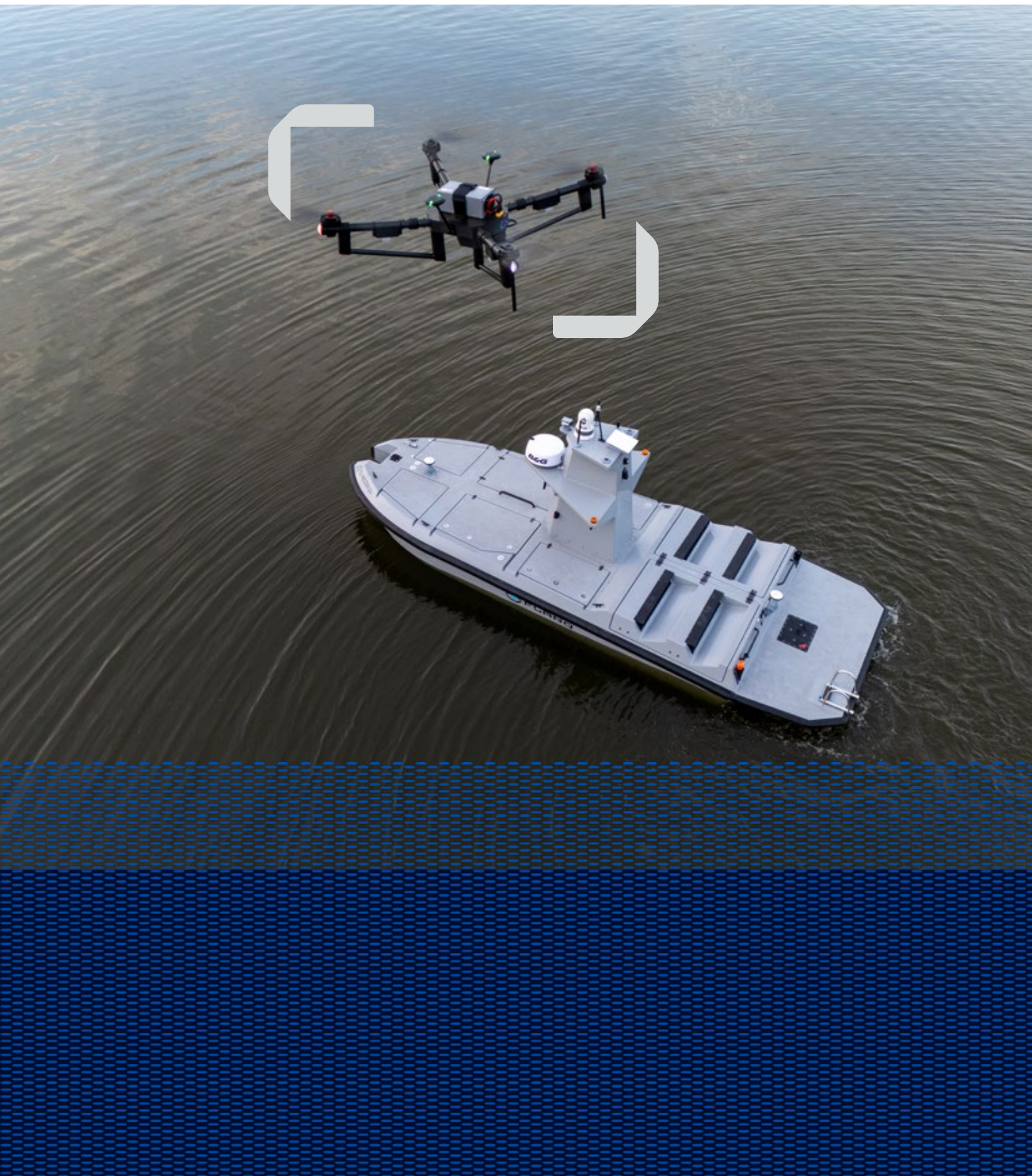
DTC provided its BluSDR® (Software Defined Radio) mesh datalinks to enable secure, resilient communications between FLANQ's Q-RECON uncrewed surface vehicle and CiS' ORKA quadcopter. Acting as the communications backbone, the BluSDR allows the platforms to exchange mission-critical data in real time, supporting coordinated autonomous operations across air and maritime domains. The mesh networking capability provides reliable connectivity even in dynamic environments where conventional communications may be constrained, ensuring continuous data flow between distributed assets. By delivering a flexible, software-defined solution that integrates seamlessly with autonomous platforms, DTC helped create a scalable surveillance capability that enhances situational awareness and supports more informed operational decision-making.

DTC's BluSDR® technology enabled FLANQ and CiS to successfully integrate their autonomous maritime and aerial platforms into a connected, collaborative system. By providing secure and resilient communications, the BluSDR supported reliable real-time data sharing, improving situational awareness across a wider operational area, and enabling more coordinated decision-making. The deployment demonstrated the flexibility of DTC's Software Defined Radio technology in supporting emerging autonomous and multi-domain applications, while validating its performance in dynamic operating environments. This project reinforces DTC's position as a trusted provider of mission-critical communications solutions, showcasing the scalability and interoperability of BluSDR as customers increasingly adopt connected autonomous systems for maritime operations.

This project demonstrates DTC's ability to deliver trusted communications technology for next-generation autonomous systems, supporting Codan's strategy to grow its defence and security business through innovation. It highlights the expanding application of BluSDR® across emerging autonomous and multi-domain operations, creating opportunities for future platform integrations, long-term customer relationships, and access to growing global markets for resilient communications solutions.



A CODAN COMPANY



COMMUNICATIONS



Zetron

Zetron showed significant growth across its international markets while continuing to invest in product innovation, operational capability, and customer success.

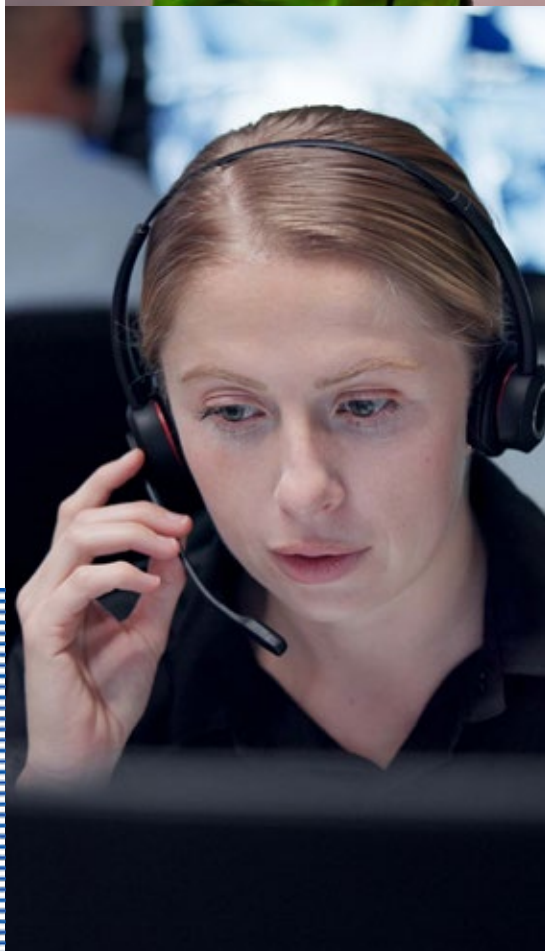
International performance was particularly strong in the United Kingdom, with major contract wins from the UK Home Office and the London Underground, underpinning approximately 40% year-over-year growth in EMEA and reinforcing Zetron's position as a trusted mission critical command, control and communications solution provider. In addition, Zetron continued to strengthen its transportation market with the latest ACOM release, enabling Australia's first fully MCx-capable railway communications network.

The company also successfully completed the New Zealand Public Safety Network (NZPSN) cutover, marking a significant milestone in a nationally important communications program and further demonstrating Zetron's ability to deliver complex, large-scale public safety projects. Public announcements and associated media coverage are expected to increase market awareness and further enhance Zetron's brand profile.

Product innovation remains a key growth driver, with the business completing the market release of CAD2UK, extending the company's computer aided dispatch (CAD) offering for UK emergency service agencies, and delivering the first On SALUS release of CAD Disaster Recovery capabilities. The MT5 VHF transmitter feature release was also successfully completed, further strengthening the land mobile radio (LMR) portfolio.

To support long-term growth and customer retention, Zetron launched a dedicated Customer Success function and expanded customer support capabilities.

Zetron's FY26 performance supports Codan's long-term growth strategy through expansion in key international markets, continued investment in differentiated technology, and strengthened customer engagement. Growing demand for public safety and critical communications solutions, combined with a strong orderbook and expanding product portfolio, positions the business for continued growth in FY27 and beyond.



“While FY26 was a year of important milestones and strategic investments, its greatest value was in laying the groundwork for future growth. We’re going into FY27 positioned for continued momentum with stronger capabilities, a growing orderbook, new products and services being launched on SALUS, and clear opportunities across our global markets.”

Scott French, Zetron President & Executive General Manager

Iowa Advances Statewide Emergency Communications Through NG9-1-1 Shared Services

The State of Iowa needed to modernise emergency communications and expand access to Next Generation 9-1-1 (**NG9-1-1**) capabilities statewide. Zetron delivered a shared services platform that has broadened access to advanced technology, improved interoperability, supported operational resilience, and created a more cost-effective foundation for public safety operations.

Like many jurisdictions across North America, Iowa faced the challenge of replacing aging emergency communications infrastructure while managing budget constraints and varying levels of local resources. Many Public Safety Answering Points (**PSAPs**), particularly those serving rural communities, lacked a practical path to independently deploy and maintain advanced NG9-1-1 capabilities. State leaders needed a model that could provide consistent access to modern emergency communications services regardless of agency size or location, while improving service delivery, strengthening statewide resilience, and supporting future public safety requirements.

Zetron was selected by the State of Iowa to establish a large-scale statewide NG9-1-1 shared services program. The centrally managed, Zetron-led platform gives participating PSAPs access to advanced call handling, CAD, mapping, emergency medical dispatch protocols, logging, and integrated third-party capabilities through a common technology environment. By leveraging a shared services model, agencies can access enterprise-grade functionality without independently procuring and maintaining separate systems. The platform enables greater interoperability, standardises operational

workflows, and supports continuous technology upgrades. Its scalable architecture allows agencies of all sizes to modernise at their own pace while benefiting from a resilient statewide emergency communications network.

The Iowa NG9-1-1 Shared Services Program has become a leading example of statewide public safety modernisation. To date, 86 of Iowa's 111 PSAPs have migrated to the platform, representing approximately 77% statewide adoption. The shared services model has delivered over US\$12M in savings to the entire state, while expanding access to advanced capabilities across urban and rural communities. Agencies benefit from improved reliability, streamlined operations, and greater consistency in emergency response workflows. Since 2018, the platform has avoided large-scale unplanned outages, including during significant weather-related disruptions affecting supporting infrastructure.

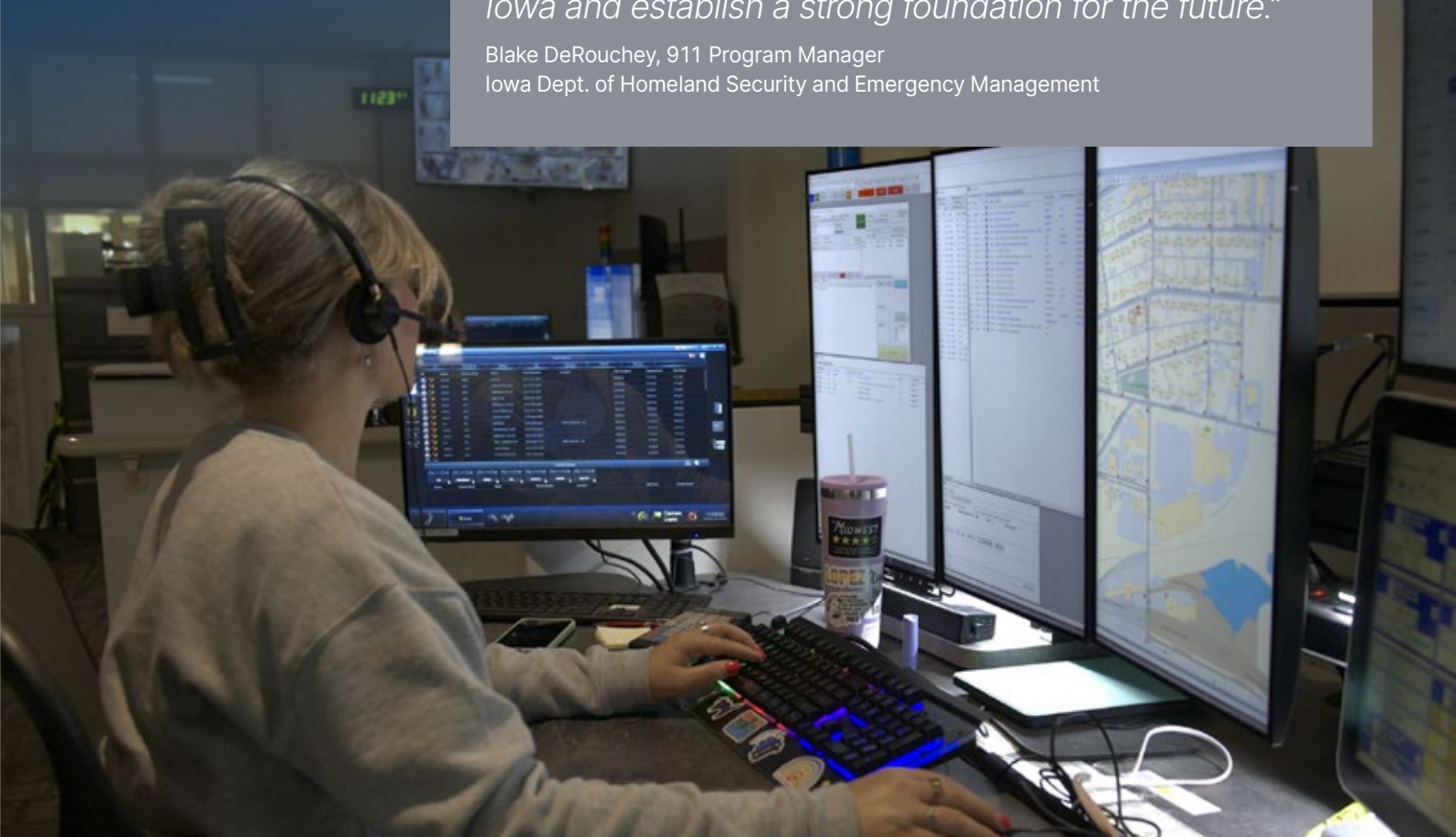
The Iowa program highlights Zetron's leadership in public safety communications and demonstrates the growing opportunity for scalable, service-focused solutions. For Codan, it validates Zetron's ability to deliver large, complex statewide programs while creating recurring revenue streams. As agencies worldwide seek cost-effective pathways to modernise critical communications infrastructure, the project provides a proven blueprint for other jurisdictions pursuing public safety transformation.

ZETRON



"The shared services approach has allowed Iowa to deliver advanced NG9-1-1 capabilities to agencies across the state while creating a more resilient and sustainable emergency communications environment. By working together around a common vision, we've been able to improve service delivery for communities throughout Iowa and establish a strong foundation for the future."

Blake DeRouchey, 911 Program Manager
Iowa Dept. of Homeland Security and Emergency Management



"Every second matters in emergency communications. The integrated call taking environment has simplified our operations and improved efficiency across the center. That means less time navigating technology and more time helping people."

Brad Button, Communications Section Administrator
Des Moines Police Department



Environment, Social and Governance Report

CEO's Statement

At Codan, enduring performance rests on trust. It is earned by delivering technology that works when it matters, by treating people with respect, by governing responsibly and by contributing to the communities that support us. Our shareholders rightly expect us to pair ambition with discipline and to understand the risks and opportunities ahead. These responsibilities are interconnected and central to how we create long-term value.

FY26 marks an important milestone for Codan as our first year of mandatory climate-related financial reporting and the publication of our first mandatory Sustainability Report. For Codan, however, this is not the beginning of our climate-related work. It is the culmination of several years of deliberate preparation and investment in the systems, governance and organisational capability required to support credible reporting.

Since FY23, we have progressively matured our voluntary climate-related disclosures, initially using the recommendations of the Task Force on Climate-related Financial Disclosures as our guide. We have strengthened the collection of Scope 1, Scope 2 and Scope 3 emissions data, assessed climate-related risks and opportunities, reviewed how those matters are incorporated into our broader risk-management processes, engaged with key suppliers and conducted climate scenario analysis.

This Sustainability Report is an important step, but it is not an end point. Climate reporting remains a developing discipline, and the availability of data, calculation methodologies, regulatory expectations and our own understanding will continue to evolve. We will continue to refine and improve this report in the coming years by strengthening our underlying data and

controls, deepening our analysis and making our disclosures clearer and more useful to our stakeholders. We will approach that work with transparency, discipline and a commitment to continuous improvement.

That same commitment to learning and improvement is essential as the world around us changes. Climate change, geopolitical uncertainty, technological advancement, cyber risk, evolving regulation, changing customer expectations and supply-chain disruption are reshaping the environment in which global businesses operate.

I believe Codan is well positioned to operate in that changing world. Adaptability, agility and diversification have long been central to our business model. We combine a global presence with deep engineering expertise, differentiated technologies, sustained investment in innovation and enduring relationships with customers, suppliers and partners. These strengths do not make us immune to disruption, but they do give us the capacity to understand change, respond thoughtfully and continue improving. Across our Communications and Metal Detection businesses, this capability is reflected in the continued development of technologies that address increasingly complex operational and customer needs.





Our capacity to adapt begins with our people. During FY26, we continued to invest in a more connected, inclusive and high-performing organisation. We increased opportunities for open dialogue between our people and leaders, continued to embed our Core Values and progressed our Belonging Strategy, leadership capability and global people systems. We also remained focused on providing a safe and supportive workplace in which people feel respected, heard and able to contribute their best. I am grateful for the professionalism, care and commitment our people demonstrate to one another, to our customers and to the communities in which they live and work.

Our responsibility also extends beyond our operations. The community relationships we value most are those built over time and that are grounded in practical, lasting impact. Through Yalari, we have made a six-year commitment to support an Aboriginal or Torres Strait Islander student through secondary education, including access to mentoring and wellbeing services. We continued our support for Youth Opportunities, helping more than 40 Salisbury High School students build confidence, resilience and leadership skills, with two students receiving scholarships. Our nearly four-decade relationship with Variety – the Children's Charity also continued, including 37 years as a Gold Sponsor of the Variety Bash, where our people provide

specialist communications support. Through our annual Charity Golf Day, our people, customers, suppliers and partners also raised funds for Catherine House, Hutt St Centre and KickStart for Kids. Together, these partnerships reflect our commitment to creating meaningful and enduring benefits in the communities where we operate.

These partnerships differ in their focus, but they share a common principle: meaningful contribution is built through continuity, respect and practical action. I thank our community partners for the trust they place in Codan, and our people for giving their time, expertise and energy so generously.

Thank you to our people, customers, suppliers, shareholders and community partners for your continued support. I am proud of the progress we have made during FY26 and look forward to engaging in work that remains ahead.

Sincerely,

Alf Ianniello
Managing Director &
Chief Executive Officer

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 practices across Codan and its controlled entities during the year ended 30 June 2026 (**FY26**). The ESG Report (**Report**) is published on 18 September 2026 and forms part of Codan's Annual Report.

This Report has been prepared in reference to the Global Reporting Initiative (**GRI**) Standards: Core option. 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 that except for the Sustainability Report, which has received partial, limited assurance from KPMG, 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
Sustainability Report

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



"At Codan, enduring performance rests on trust. It is earned by delivering technology that works when it matters, by treating people with respect, by governing responsibly and by contributing to the communities that support us."

Environment

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

We support the goals of the Paris Agreement to limit the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C. Achieving these goals requires collective action across sectors and economies to rapidly reduce greenhouse gas emissions. Codan is therefore working to develop a detailed understanding of the Group's emissions profile and the practical actions required to reduce it.

Since Codan began publishing ESG information in FY20, the scope and maturity of its reporting have developed considerably. In FY22, Codan's emissions reporting was limited to Scope 1 and Scope 2 emissions from its Mawson Lakes operations; since then, Codan has progressively expanded its reporting boundary, emissions inventory, data governance and assessment of climate-related risks and opportunities. FY26 marks another significant milestone with the publication of Codan's first statutory **Sustainability Report**, prepared in accordance with AASB S2 *Climate-related Disclosures*. KPMG has provided limited assurance over the disclosures subject to the applicable first-year assurance requirements. Codan has applied the transition relief available under AASB S2 and has therefore not included comparative information or Scope 3 greenhouse gas emissions in the Sustainability Report. Voluntary information on these matters is provided in the Environment section of this ESG Report; however, that information has not been subject to external assurance.

The Sustainability Report represents a substantial advance in the scope, discipline and transparency of Codan's climate-related reporting. However, it is an important stage in an ongoing process, rather than an endpoint. Considerable work remains to further improve data quality, methodologies, systems and disclosures as the assurance requirements continue to expand, with all required disclosures expected to become subject to reasonable assurance from FY29.

While we consider this year's report to be a substantial improvement on FY25, we also expect the quality and maturity of next year's report to advance materially. The Sustainability Report is presented as the final section of this ESG Report. KPMG's assurance engagement is confined to the disclosures identified in its audit report within that section, and no other part of this ESG Report has been externally assured.

Engagement with contract manufacturers

Codan's relationships with its key contract manufacturers are important to the resilience and sustainability of its global value chain. Venture Corporation Limited (**Venture**) and Plexus Corp. (**Plexus**) each place a strong emphasis on excellence, customer outcomes, innovation, responsible conduct and collaboration. These principles complement Codan's values of High Performance, Customer Driven, Can-Do and Trust & Integrity and provide a strong foundation for continued engagement on climate resilience, resource efficiency and value-chain decarbonisation.

In fiscal 2025, Plexus transitioned from intensity-based environmental measures to absolute emissions reduction goals and reported an approximately 15% absolute reduction in global Scope 1 and 2 GHG emissions against its fiscal 2023 baseline. Its Scope 1, Scope 2 and material Scope 3 emissions inventory was independently verified. Plexus also achieved a 29% absolute reduction in waste sent to landfill and increased the number of sites maintaining zero waste to landfill to eight. It has committed to reduce absolute Scope 1 and 2 GHG emissions by 54.6% by 2033 from a fiscal 2023 baseline. All 17 Plexus manufacturing sites are ISO 14001 certified, and Plexus reported no reportable spills in fiscal 2025. Plexus's capabilities in lifecycle assessment, sustainable design, circular materials, repair and remanufacturing are also relevant to Codan's work to understand embodied carbon and reduce the lifecycle impacts of its products.



In 2025, Venture reported market-based Scope 1 and 2 GHG emissions 17% below its 2022 baseline after expanding its reporting boundary to all 12 manufacturing sites. Excluding the newly added Suzhou site, the like-for-like reduction was 22%. Green electricity represented 27% of Venture's total electricity consumption, compared with 3% in 2022. Venture maintained its targets to reduce absolute Scope 1 and 2 emissions by 42% by 2030 from a 2022 baseline and achieve net zero by 2050. It also commenced reporting selected Scope 3 categories and advanced its climate scenario analysis from a qualitative to a semi-quantitative assessment. All Venture manufacturing sites are ISO 14001 certified, and Venture reported no significant environmental fines or non-monetary sanctions during 2025.

Codan intends to continue to engage with Venture and Plexus on opportunities to:

- improve the availability and quality of emissions and energy data associated with the manufacture of Codan products;
- increase energy efficiency and renewable electricity use and strengthen adaptation to relevant physical climate risks;
- reduce the impacts associated with packaging, logistics and production waste; and
- use lifecycle assessment, circular design, repair, reuse and material recovery to reduce embodied carbon and broader Scope 3 emissions.

Emissions Profile

Emissions Reporting Approach

The emissions reporting approach undertaken in FY26 is in line with the GHG Protocol Corporate Accounting and Reporting Standard 2004 (**GHG Protocol**), which is the basis for AASB S2. 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 FY26, Codan continued to use the online software platform (**Recouple**) created and operated by 2XE for the calculation of greenhouse gas (**GHG**) emissions.

Operational Boundary

Codan's FY26 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 summarises the differences between FY25 and FY26 emissions boundary and key changes in calculation methodology and/or data sets.

Table 2: Codan Limited emissions boundary

Category	Included in FY25	Included in FY26	Notes and key changes
Scope 1 Stationary Fuel	Yes	Yes	
Scope 1 Fleet Fuel	Yes	Yes	Increased level of site-based data used in FY26 with the inclusion of two additional fleet vehicles operating out of the US.
Scope 1 Refrigerants	Yes	Yes	Increased level of site-based data used in FY26 allowed for an additional 5 sites to be quantified where Codan has operational control of the systems. All other facilities were under C8 Upstream Leased Assets. Three UK sites refrigerant emissions were significantly lower in FY26 compared to FY25 due to over reporting by the sites in FY25.
Scope 2 Purchased Electricity	Yes	Yes	Increased level of site-based data used in FY26 with an additional 5 sites captured in FY26. Change in methodology for estimating two sites' electricity consumption as additional floor area data available.
Scope 3 C1 – Purchased goods and services	Yes	Yes	The FY25 footprint was underestimated for the DTC raw product spend. As the difference was deemed material C1 has been re-calculated for FY25. In FY26 refinement of the General Ledger expense items was undertaken, with an additional 9 items added. Plexus has transitioned to a 100% renewable electricity contract for their manufacturing facility in Penang. As such the electricity consumption for Codan's floor space has been treated as zero emissions in FY26.
Scope 3 C2 – Capital goods	Yes	Yes	
Scope 3 C3 – Fuel-related and energy-related activities	Yes	Yes	
Scope 3 C4 – Upstream transportation and distribution	Yes	Yes	Minor update in the % split between Sea and Air freight based on actual units freighted. Additional GL code accounted for.
Scope 3 C5 – Waste generated in operations	Yes	Yes	In FY26 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 a relatively insignificant portion of overall Scope 3 emissions.
Scope 3 C6 – Business travel	Yes	Yes	
Scope 3 C7 – Employee commuting	Yes	Yes	In FY26 WFH emissions factors are location-based specific to the country where the employees are located.
Scope 3 C8 – Upstream leased assets	No	Yes	In FY26 refrigerants which are managed by property managers/ landlords have been estimated and included.

Category	Included in FY25	Included in FY26	Notes and key changes
Scope 3 C9 – Downstream transportation and distribution	Yes	Yes	Same updates as C4.
Scope 3 C10 – Processing of sold products	No	No	Codan does not undertake any processing of sold products. Therefore, Scope 3 Category 10 (Processing of sold products) is not applicable.
Scope 3 C11 – Use of sold products	Yes	Yes	Due to complexity of products and data availability, Tactical Communications products have not been reported in FY26. In FY26 there has been refinement of Minelab products with emissions factors calculations based on the country of sale.
Scope 3 C12 – End-of-life treatment of sold products	Yes	Yes	Due to complexity of products and data availability, Tactical Communications products have not been reported in FY26.
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.



Emissions Footprint

Codan Limited's total emissions footprint for FY26 across Scope 1, 2 (location based) and 3 is **70,708 tCO2-e**.

Figure 1: Breakdown of GHG emissions by scope

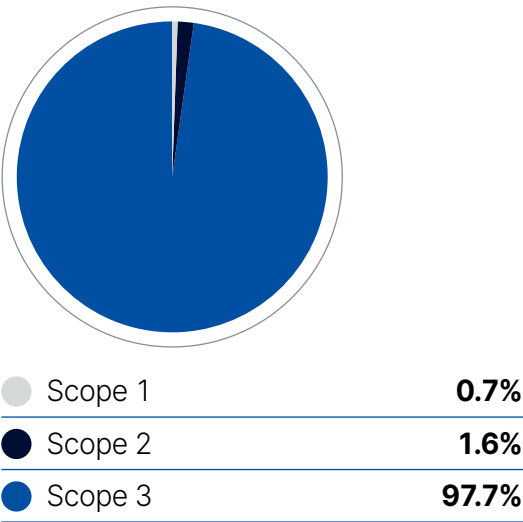


Figure 2: Year-on-year emissions breakdown by Category

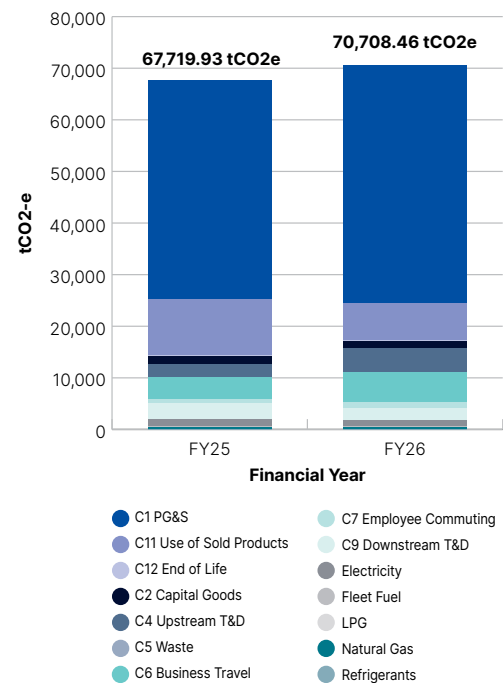


Table 3: Year-on-year comparison

Emissions Scope	FY25	FY26
Scope 1	456 tCO2-e	487 tCO2-e
Scope 2	1,261 tCO2-e	1,116 tCO2-e
Scope 3	66,003 tCO2-e	69,105 tCO2-e
Total	67,720 tCO2-e	70,708 tCO2-e

Key Changes

Changes in reported scope 3 emissions are very common for businesses in early stages of their emissions reporting and management journey. In FY26 Codan improved data collection processes in the following categories:

- Refrigerants captured or estimated for all sites within the boundary and allocated based on operational control.
- Improvements in Scope 3 C11 use of sold products to apply location-based electricity emissions factors for Minelab products based on country of sale. This change accounts for the difference between FY25 and FY26.
- Refinement of Scope 3 C4 and C9 Upstream and Downstream transportation and distribution to apportion split between air and sea freight.
- Improvement in Scope 3 C7 Employee Commuting to apply location-based electricity emissions factors for work from home staff based on the country where they reside.

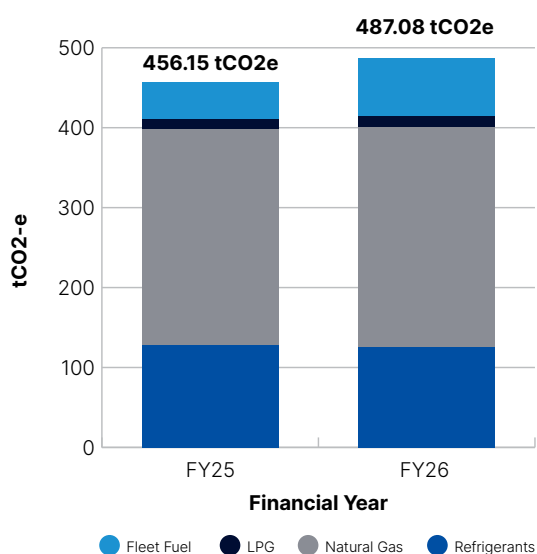
With each successive ESG report, Codan has enhanced the accuracy of its global carbon footprint assessment and we anticipate further refinements as we look ahead to limited assurance for Scope 3 emissions in FY27.

Scope 1 Emissions

Codan Limited's FY26 Scope 1 emissions are **487 tCO₂-e**.

- Natural gas accounts for 275 tCO₂-e
- Refrigerants account for 126 tCO₂-e
- Fleet Fuel accounts for 73 tCO₂-e
- LPG accounts for 13 tCO₂-e

Figure 3: Scope 1 emissions by source



Key changes

- Fleet Fuel: two additional vehicles included in the boundary operating out of the US.
- Refrigerants:
 - Data availability in FY26 has allowed for additional five sites to be captured where Codan has operational control of the heating/cooling systems. All other facilities are estimated and captured under Scope 3 C8 Upstream leased assets.
 - Three UK sites refrigerant emissions significantly lower in FY26 compared to FY25 due to over reporting by the sites. Sites reported total refrigerant volume held in FY25 instead of actual top-up volume.

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.

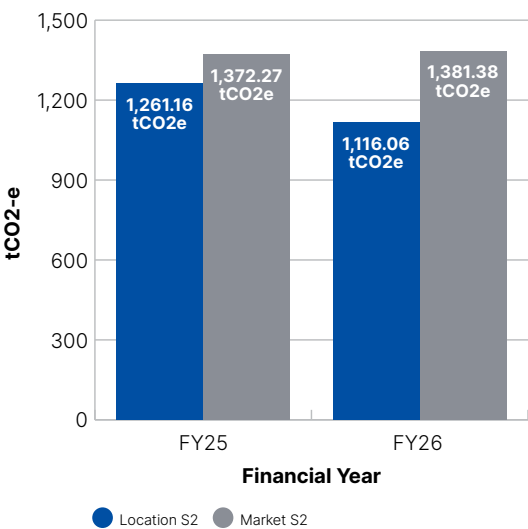
Refrigerant-specific emission calculations estimate emissions based on activity data that quantifies actual use in volume. Each refrigerant source has a corresponding Global Warming Potential specific to the refrigerant type.



Scope 2 Emissions

Codan Limited's FY26 Scope 2 emissions are **1,116 tCO2-e** (Location-based) and **1,381 tCO2-e** (market-based).

Figure 4: Year-on-year Scope 2 emissions by calculation method



Key changes

- Increased level of site-based data used in FY26, with additional 5 sites captured.
- There has been a change in methodology for estimating two sites. Electricity consumption was estimated using actual net lettable area for each property in FY26. In FY25 net lettable area was estimated based on the number of employees operating from the site as actual net lettable area was unavailable.

Calculation Methodology

Location-based method: 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.

Market-based method: account for the emissions from electricity consumption based on the specific energy sources an organisation chooses such as renewable energy contracts (e.g. Greenpower/ Renewable Energy PPA/ LGCs)

or supplier-specific agreements. The calculation reflects the portion of electricity from each source, allowing for reduced emissions reporting when renewable energy is used.

Codan's market-based Scope 2 emissions are higher than its location-based Scope 2 emissions because the two methods treat renewable electricity within public grids differently. The location-based method applies the average emissions intensity of the electricity grid in each operating location and therefore reflects renewable generation supplied through that grid. For example, renewable sources accounted for more than 75% of South Australia's net electricity generation in 2025, reducing the location-based emissions attributable to electricity consumed at Codan's South Australian operations.

The market-based method instead reflects the electricity products and contractual instruments specifically procured by Codan. Where Codan does not hold a qualifying renewable electricity contract or energy attribute certificate, it cannot attribute the renewable energy attributes within the general grid mix to its own consumption, and the applicable residual-mix or other market-based emission factor may therefore be higher than the grid-average factor. Across the Group, this effect more than offsets the zero market-based Scope 2 emissions reported for DTC UK and Spectronic in Denmark, where qualifying renewable electricity arrangements are in place. Both locations use 100% renewable power. Codan reports market-based emissions alongside its location-based emissions because the market-based measure provides a useful baseline for assessing the future impact of renewable electricity procurement and other initiatives intended to reduce Scope 2 emissions. Codan has signed a contract for 100% renewable energy for the Mawson Lakes site that will start on 1 January 2027, which is expected to significantly reduce Codan's FY27 scope 2 market-based emissions.

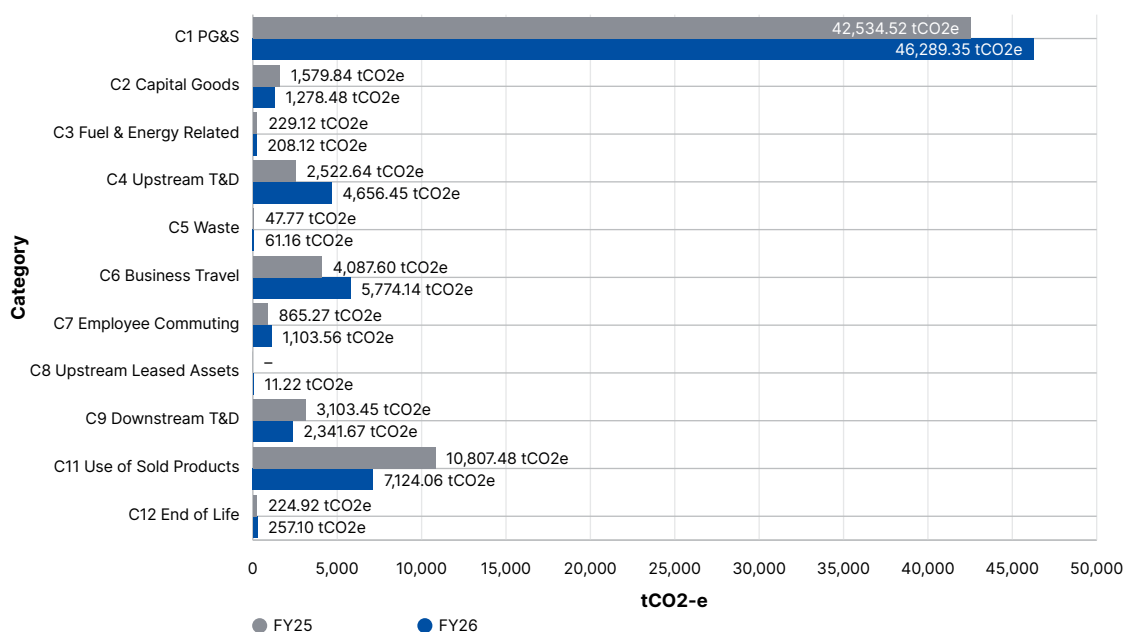
Scope 3 Emissions

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

Emission Source	Scope 3 - Location
C1 PG&S	46,289.35 tCO ₂ e
C2 Capital Goods	1,278.48 tCO ₂ e
C3 Fuel and Energy-Related Activities Not Included in Scope 1 or Scope 2	208.12 tCO ₂ e
C4 Upstream T&D	4,656.45 tCO ₂ e
C5 Waste	61.16 tCO ₂ e
C6 Business Travel	5,774.14 tCO ₂ e
C7 Employee Commuting	1,103.56 tCO ₂ e
C8 Upstream Leased Assets	11.22 tCO ₂ e
C9 Downstream T&D	2,341.67 tCO ₂ e
C11 Use of Sold Products	7,124.06 tCO ₂ e
C12 End of Life	257.10 tCO ₂ e
Grand total	69,105.32 tCO₂e

Figure 5: Scope 3 emissions by GHG Protocol Category



ESG REPORT ENVIRONMENT

Key changes

- Purchased Goods and Services (Scope 3 - C1)
In FY26 9 additional GL codes captured which equates to an additional 7.4% of expenses with emissions applied.
- Use of Sold Products (Scope 3 - C11)
In FY26 refinement of Minelab products by country of sale allowed for location-based emissions factors to be attributed to the country of operation. FY25 assumed an average emissions factor for all product sales.
- Upstream leased assets (Scope 3 - C8)
In FY26 addition of refrigerants from landlord/property managers were captured under this category.
- Employee Commuting (Scope 3 - C7)
Data was improved over FY26 by applying location-based electricity emissions factors for work-from-home staff based on the country where they reside.

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
8 – Upstream leased assets		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



Ongoing environmental management

Codan's global head office is located in the Technology Park precinct of South Australia and houses around 280 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.

All waste produced by Head Office (including all business and production waste) totalled 60 MT with 100% of waste diverted from landfill. Head Office separates waste for collection by type including food waste and organics, E-waste, cardboard, batteries and secure documents. Twelve kg of printer toner was recycled.

Head Office solar panels produced 198 MWh this year. Head Office had a total water consumption of 8,502 kL which was all taken from city water services. DTC (UK) and Spectronics (DK) both continue to purchase 100% renewable power. There were no environmental incidents at Head Office.

In FY24, Codan introduced a 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.

We are mindful of our 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 FY26.

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.

Social

Our People

Our people are fundamental to our success. As our organisation continues to grow across markets, geographies and technologies, we remain focused on building a connected, inclusive and high-performing culture that enables sustainable growth and long-term value creation.

During FY26, we focused on strengthening the organisational foundations that support our global workforce through investments in leadership capability, employee connection and inclusion, and organisational effectiveness.

Building a connected global culture

Throughout FY26, we continued embedding our Core Values across the organisation while strengthening leadership visibility and opportunities for employee engagement. Following the FY25 Employee Engagement Survey, feedback from our global workforce has driven significant progress toward creating a stronger, more connected workplace at Codan, with a desire for greater communication and engagement across the group. We introduced initiatives including Executive Roundtables to encourage open, two-way conversations, increased leadership visibility through more regular communication across multiple channels, and appointed a Global Communications Manager to strengthen connection across the business.

Creating opportunities for people to connect and collaborate remained an important focus. Alongside global initiatives that brought people together across regions and functions, we introduced the inaugural Global Service Awards, celebrating employees reaching significant career milestones. The event in October recognised

employees including 20-year service recipients who travelled to our Headquarters in South Australia from the UK and US to celebrate their contribution to the group.

Our global Reward & Recognition Program continued to grow throughout the year. We launched the Core Values Awards providing employees with opportunities to nominate colleagues who demonstrate our Core Values through the way they work, collaborate and support others. Winners are announced quarterly and help reinforce the behaviours that underpin our culture while celebrating the contributions of our people across the Group. We will host our inaugural Annual Codan Core Values Awards celebration in October 2026.

Inclusion and Belonging

FY26 marked continued progress against Codan's first global *Belonging Strategy*, which focuses on creating an environment where all employees feel respected, valued and able to contribute their best.

The *Belonging Strategy* outlines four core areas of focus:

- enhancing connection, belonging, and inclusion across our global workforce;
- building inclusive leadership capabilities;
- embedding Diversity, Equity and Inclusion principles into Codan's systems and processes; and
- improving measurement, accountability, and transparency.

Key milestones achieved in FY26 included the delivery of in-person Inclusive Leadership training to executives and senior leaders globally and the rollout of leadership e-learning and ongoing Respectful Workplace training.

Gender representation	FY26			FY25 Female	FY25 Male
	FY26 Female	FY26 Male	Undeclared/Unknown		
Board	40%	60%	0%	40%	60%
Senior Executive	14%	86%	0%	17%	83%
Senior Management	17%	83%	0%	18%	82%
Other	26%	71%	3%	26%	74%
Whole workforce	26%	71%	3%	26%	74%

Leadership and organisational capability

FY26 focused on strengthening the organisational foundations required to support long-term performance as we continue to grow. This included significant investment in leadership capability, succession planning, talent management and the design of a scalable global people operating model.

We commenced an 'HR Transformation Program' as part of a move to a broader global services model which aims to strengthen our group functions so they're better equipped to support our divisions, our people and Codan's continued growth. The program is focused on investing in a scalable, globally connected people function that provides consistent support, stronger capability and an improved employee experience across the Group.

Significant investment has been made in designing and implementing the frameworks, systems and specialist capability needed to support a growing global organisation. This included establishing dedicated leadership roles across Talent, Reward & Benefits, Culture & Capability, and People Operations.

As part of the HR Transformation Program, in FY26 we progressed the development of consistent performance management tools, behavioural competencies and talent frameworks, creating a more structured and scalable approach to leadership development across Codan.

In FY26, a key focus was strengthening organisational capability and succession, and this was achieved through strategic appointments across key operational, engineering, technology and people leadership roles.

We also continued to focus on Executive capability development through leadership assessments, succession planning and executive development activities.

Our approach to talent management continued to mature through ongoing talent mapping and succession planning, helping ensure we are developing future leaders while supporting business continuity. This work was further strengthened through our People, Remuneration and Nomination Committee to develop a CEO Success Profile and broader leadership capability framework.

We continued to realise the optimisation opportunities in our Human Resources Information System (**HRIS**) to improve operational efficiency, accuracy and visibility. This was demonstrated through conducting the annual salary review process to be undertaken globally through SuccessFactors for the first time.

	FY26	FY25
Learning & Development (\$000)	1,087	934



Safety

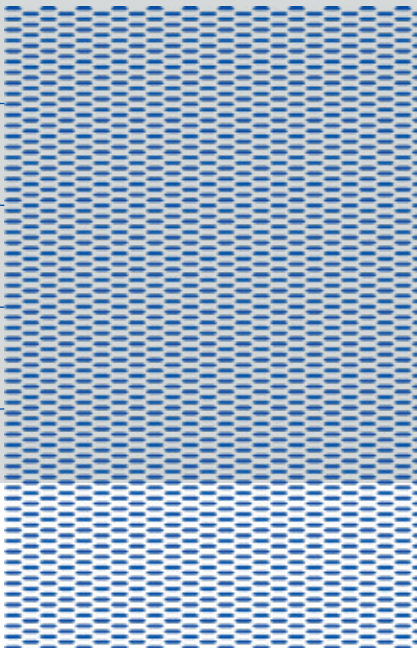
Protecting our people wherever they work remains one of Codan's highest priorities. We are committed to providing a safe and healthy workplace and fostering a culture where everyone takes responsibility for identifying hazards, reporting concerns and supporting continuous improvement.

During FY26, we strengthened this culture through the rollout of global safety reporting training for all employees, reinforcing the importance of early hazard identification and proactive risk management. Following the rollout, we recorded progressive increases in reporting and achieved our FY26 objective three months ahead of schedule, exceeding last year's full-year total reports.

Workplace Health & Safety Statistics	FY26	FY25	FY24
Lost Time Injuries	5	1	1
Near Misses	34	3	3
Incidents	41	54	49
Hazards	5	2	N/A
Fatalities	0	0	0

Our Values

-  Trust & Integrity
-  High Performance
-  Customer Driven
-  Can-Do





Our community

We are committed to creating a positive and lasting impact in the communities where we operate. Our sponsorships and community investment focus on strengthening communities, developing future STEM talent, supporting innovation and encouraging our people to make a positive contribution through volunteering and community partnerships.

Developing next-generation engineers



STEM Scholarships

During FY26, Codan and Adelaide University awarded the inaugural Codan Founders' PhD Scholarship to Sebastian Cox.

Established to honour Codan founders Ian Wall, Alastair Wood and Jim Bettison, the Founders' Scholarship embeds doctoral research within Codan's engineering teams, connecting academic research with practical engineering challenges across our communications and metal detection technologies.

We continued to support the Codan Undergraduate STEM Scholarship for Women, encouraging talented women to pursue careers in science, technology, engineering and mathematics. The FY26 scholarship was awarded to Emily Sparrow, who is studying a Bachelor of Engineering (Electrical and Electronic) at Adelaide University, recognising her academic achievement and commitment to a future career in STEM.

The Playford Trust Engineering Scholarship recognises outstanding students pursuing studies in electronic engineering, signal processing, physics and related disciplines aligned to our technologies. The FY26 scholarship was awarded to Matthew Fuhlbohm, who is studying a Bachelor of Engineering (Honours) (Electrical and Electronic) and a Bachelor of Mathematical and Computer Sciences at Adelaide University.

Scholarship recipients undertake paid industry placements with Codan, which provides practical experience working alongside our engineering teams on real projects.

Together, these scholarships help develop the next generation of engineers by investing in emerging talent, advancing research and strengthening links between education and industry.

Across the Group, Zetron also continued to support STEM education through careers fairs, university engagement and 'STEMFest' in the United Kingdom, inspiring students to explore careers in engineering and communications technology.

In addition, Codan continued its ongoing support of the South Australian Science and Innovation Awards, the University of South Australia STEM Girls Academy and the City of Salisbury STEM Girls program.

Industry and innovation

AmCham & Committee for Adelaide

Codan continued to strengthen its engagement with industry, government and research organisations during FY26 through strategic partnerships that support innovation, economic development and future capability.

As a member of the Committee for Adelaide, Codan contributes to initiatives that promote innovation, skills development and long-term economic prosperity for South Australia. Through collaboration with business, education and government leaders, we play a role in conversations that help shape the state's future.

Codan continued its membership of the American Chamber of Commerce in Australia, supporting connections with industry and government as well as international trade, investment and collaboration.

These partnerships help expand opportunities across our global markets and reinforce Codan's position as an international technology company.

Protecting our environment

Minelab Clean Sweep

Minelab's second Clean Sweep campaign was held in March to encourage detectorists to leave detecting sites cleaner than they found them by removing litter and disposing of waste responsibly. Building upon the success of the inaugural campaign, the initiative expanded across Australia and New Zealand, encouraging greater participation from the detecting community.

The campaign attracted more than 350 entries, with participants removing litter from parks, beaches and goldfields. The growing participation reflects increasing support for responsible detecting and demonstrates the positive role detectorists can play in protecting the environments they enjoy.



Creating opportunities



Codan continued our partnership with Australian not-for-profit organisation, Yalari, which supports Aboriginal and Torres Strait Islander children by providing access to high quality secondary education.

Codan provides a six-year scholarship, funding full tuition at a South Australian boarding school for one secondary school student who commenced this year. This is a long-term commitment, and we can share the journey of the student we sponsor with our people along the way. This partnership is about opening doors for young people who might not otherwise have this opportunity and providing them with support to help them to succeed.

Since 2005, Yalari has enabled nearly 900 young people from regional and remote Australia to complete their education. Beyond school fees, Yalari offers mentoring, wellbeing services, tutoring and opportunities for students to maintain strong cultural connections.





Codan continued its ongoing support for Youth Opportunities, which is focused on helping young people build the confidence, resilience and leadership skills needed to achieve their potential.

More than 40 students at Salisbury High School participated in the Youth Opportunities Elevate Personal Leadership Pathway during FY26, with two students also receiving educational scholarships. The program equips young people with practical life skills, builds resilience and optimism, and encourages them to set meaningful goals for their future.

By investing in programs that empower young people, Codan is helping create opportunities for the next generation while strengthening the communities in which we operate.

"We've seen the difference firsthand: students finish the program more motivated, resilient, and connected to their community. On behalf of all the young people we work with, thank you, Codan, for supporting Youth Opportunities and helping make our programs at Salisbury High a success."

Kendy Beal – Partnerships Manager



Supporting our communities



Across our global businesses, we encourage our people to make a positive contribution to the communities in which they live and work. Throughout FY26, Zetron teams in the United Kingdom and United States supported a wide range of STEM education, community and emergency services initiatives through volunteering, fundraising and industry partnerships.

Activities included careers fairs and STEM engagement programs for students, support for charities including Dove House Hospice, Age UK Hull & East Yorkshire, Hopelink and the Behind the Badge Foundation, participation in emergency services fundraising initiatives, and partnerships that encourage the next generation of engineers.

In Australia, our people participated in volunteering including gift wrapping at Christmas for Catherine House, in various roles at the Variety's Children's Party and for kitchen shifts at Hutt St Centre.



For nearly four decades, Codan has proudly backed Variety – the Children's Charity, which provides support to children who are sick, disadvantaged or living with disability. From funding mobility equipment and learning aids to creating memorable experiences and scholarships, Variety helps children gain independence, build confidence and fully participate in everyday life.

For 37 years we have been a gold sponsor of the Variety Bash, Australia's largest and longest-running charity motoring event through the outback.

Behind the scenes, Codan plays a critical role in keeping the Bash connected and safe. Each year, our people oversee radio communications in the lead-up to the event, as well as the operation of the control centre ensuring seamless communication and tracking of all official vehicles, mobile workshops and medical teams. This includes conducting site surveys across remote

locations to guarantee reliable communications along the route, providing HF radio training, assisting with installations and ongoing support. This work is vital to the safe and successful delivery of the Bash, often in some of Australia's most remote and challenging environments.

Golf Day

Codan's annual Charity Golf Day continued to be an important fundraising initiative, bringing together our people, customers, suppliers and partners to help organisations making a meaningful difference in our community.

The sixth annual event, held at Glenelg Golf Club, saw 29 teams participate to support Catherine House, Hutt St Centre and KickStart for Kids, with each organisation receiving \$40,000 to help their vital work.

The funds will help Catherine House provide accommodation and recovery services for women experiencing homelessness, Hutt St Centre deliver essential support to people experiencing homelessness, and KickStart for Kids continue providing nutritious breakfasts and wellbeing programs to South Australian children.

Governance

Corporate Governance Statement

Codan's corporate governance statement, which was approved by the Codan Board on 19 August 2026, 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 three (3) workplace grievances registered globally during FY26. 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.

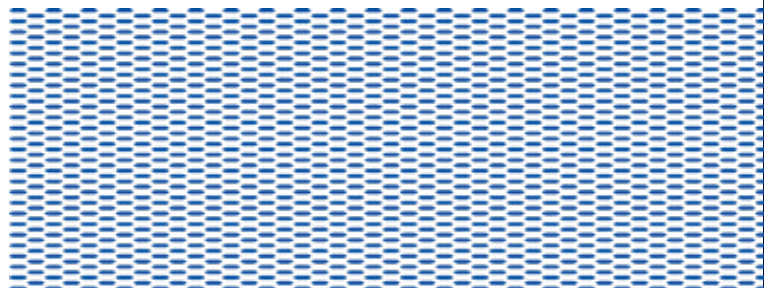
ABAC remains a material topic for our business, as we acknowledge some of our businesses operate in high-risk environments. Our ABAC program

and ABAC Policy is reviewed annually to ensure it remains fit for purpose and in line with best in 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/2026/02/Codan-Limited-Modern-Slavery-Statement_FY25.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 FY26, Codan's Legal Counsel & Sustainability Manager 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 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 FY26.

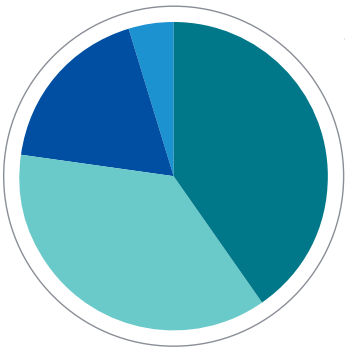
	FY27 Target	FY26 Actual	FY25
ABAC Policy violations	NIL	NIL	NIL
ABAC Internal audits	2	2	2
Sanction breaches and fines	NIL	NIL	NIL
Modern Slavery breaches	NIL	NIL	NIL



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

Africa	0.18%
Asia	40.13%
Europe	37.04%
Middle East	0.04%
North America	17.94%
Oceania	4.67%

1,000

active suppliers across the Codan Group,

with supplier spend circa \$214 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 likelihood of cyber-attacks increase and become more complex, Codan has adopted a risk-based framework to protect our assets along with alignment with ASD Essential 8, CMMC 2.0 and ISO 27001. 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 appropriate to the external risk environment.

During FY26 Codan completed penetration testing and regular vulnerability assessments to highlight potential system vulnerabilities. Continued staff awareness training was completed by all employees.

In FY26, 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 Board Audit and Risk Committee. The framework requires the Committee 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 30 June 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 pages 130–131 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 FY26, we paid \$20.0 million corporate income tax in Australia which is just over 35% of our global corporate income tax contribution. Our shareholders continue to benefit from the generation of Australian franking credits from Australian tax paid.

Sustainability Report



Sustainability Report

(Climate-related Disclosures)

For the year ended 30 June 2026

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SUSTAINABILITY REPORT

Basis of Preparation

Reporting Entity

This Report has been prepared for Codan Limited (ABN 77 007 590 605) (Codan or the Company) and its controlled entities (together referred to as the Group) and should be read in conjunction with Codan's consolidated financial statements.

Statement of Compliance

This Report is in accordance with the *Corporations Act 2001* and the Australian Sustainability Reporting Standards AASB S2 Climate-related Disclosures (**AASB S2**), as set by the Australian Accounting Standards Board (**AASB**). This Report aligns with the Company's consolidated financial reporting boundary and period. It encompasses climate-related data and information from the parent entity and its controlled entities. It fully aligns with the Company's selected operational control approach to measuring its Scope 1 and 2 greenhouse gas (**GHG**) emissions. For further detail on the basis of consolidation, refer to note 1(c) in the Company's consolidated financial statements for the year ended 30 June 2026.

Transition Reliefs

In preparing this Report, Codan has applied the following transition reliefs for its first annual reporting period:

- Not to disclose comparative information; and
- Not to disclose Scope 3 GHG emissions.

Connected Information

This Report presents the Group's climate-related financial information for the financial year ended 30 June 2026, aligned with the reporting period of its consolidated financial statements. It links to related disclosures, including the consolidated financial statements, to provide a cohesive view of how climate-related risks and opportunities (**CRROs**) may affect the Group's financial position, performance and cash flows over the short, medium and long term.

Presentation Currency

The currency for dollar values presented in this Report is Australian dollars, which aligns to the currency presented in Codan's consolidated financial statements.

Forward-looking Statements

This Report contains forward-looking statements and forward-looking climate-related information prepared in accordance with AASB S2. Such statements involve known and unknown risks, uncertainties and other factors, many of which are outside Codan's control, and that may cause actual results, performance, outcomes or conditions to differ materially from those expressed or implied. Forward-looking climate-related information, including scenario analysis and the impact of CRROs on Codan's business model and value chain, is based on information available at the reporting date and reflects assumptions considered reasonable at that time.

Except as required by applicable laws or regulations, Codan does not undertake to update any forward-looking statements or climate-related information. Codan cautions against undue reliance on the forward-looking statements or climate-related information in this Report.





Judgements

The preparation and presentation of the climate-related disclosures in this Report involves applying judgement to determine what information is relevant, reliable and useful to disclose.

This includes interpreting reporting requirements and making informed decisions in areas where AASB S2 allows flexibility. Codan applied judgements in the following main areas:

Identification of relevant CRROs and material information

Codan exercised judgement in identifying the CRROs that could reasonably be expected to affect Codan's prospects, and in determining what information about those risks and opportunities is material for disclosure. This involved considering potential impacts and dependencies across Codan's business model and value chain, including whether those matters could reasonably affect Codan's cash flows, access to finance or cost of capital over the short, medium or long term.

For further details, see Climate-Related Risks and Opportunities.

Assessment of Vulnerability to Climate-Related Risks

Codan exercised judgement in determining how to assess vulnerability to climate-related risks. AASB S2 does not prescribe a methodology for determining when assets or business activities are 'vulnerable' to climate-related risks. For FY26, Codan assessed vulnerability by reference to its three principal business activities: Minelab, DTC and Zetron. This basis of assessment was selected because Codan's identified climate-related risks arise primarily across its value chain, including upstream component supply, contract manufacturing, distribution channels, product compliance and procurement-related requirements, rather than through material exposure of Codan-owned physical assets.

Codan defined a business activity as vulnerable where it is exposed to an identified climate-related physical or transition risk that, after taking into account existing controls, mitigation measures and response capability, could reasonably be expected to result in material disruption to that business activity or otherwise affect Codan's prospects.

In applying this judgement, Codan distinguished between exposure and vulnerability. Exposure to a climate-related risk was not itself, treated as vulnerability. Codan considered the nature of each risk, the area of the value chain affected, existing and planned controls, and Codan's ability to absorb or respond to potential disruption.

The outcome of this judgement is reflected in the 'Other Climate-related Metrics' disclosure. Based on the FY26 assessment, Codan did not identify any principal business activity as vulnerable to climate-related physical or transition risks after considering existing controls and mitigation measures. This conclusion does not mean Codan has no exposure to climate-related risks. It reflects Codan's judgement that, at the reporting date, current exposures to existing risks are mitigated by Codan's existing operating model, supply chain management, business continuity, inventory management, sourcing, compliance and product development capabilities, and are not expected to result in vulnerability of Codan's principal business activities at the reporting date. Codan will review this assessment in future reporting periods as data, methodologies and climate-related risk assessment practices mature. The amount and percentage of Codan's principal business activities assessed as vulnerable are disclosed in Other Climate-related Metrics.

SUSTAINABILITY REPORT

GHG emissions

Codan exercised judgement in determining the calculation methodologies, data sources and assumptions applied in measuring Scope 1 and Scope 2 GHG emissions, including: (i) selecting appropriate jurisdiction-specific emissions factors (e.g. NGAF 2025, UK Government and US EPA); and (ii) determining the use of primary activity data where available, and estimation techniques where data was incomplete or unavailable (e.g. extrapolation of partial-year data, and spend or equipment-based estimates for fuel and refrigerants).

For further details of the boundary for GHG emissions, see Metrics and Targets – GHG Emissions.

Scenario selection

Codan exercised judgement in determining that the use of Network for Greening the Financial System (**NGFS**) scenarios was an appropriate and commensurate basis for its FY26 scenario analysis, having regard to Codan’s specific circumstances. In making this judgement, Codan considered its global operations, geographically diversified business model, extended supply chain, multiple market segments, exposure to physical and transition risks, and the skills, capabilities and resources available for scenario analysis. Codan selected NGFS Net Zero 2050 and NGFS Current Policies because they provide global coverage, incorporate physical and transition risk drivers, and represent sufficiently diverse plausible futures: an orderly 1.5°C transition pathway and a high-emissions current-policies pathway. This judgement supported a primarily qualitative scenario analysis approach focused on assessing resilience, rather than quantitative stress testing at asset, business unit or product level.

For further details, see Approach to Climate Scenario Analysis.

Uncertainties

The preparation of this Report involves estimates and forward-looking assumptions. The table below summarises the main areas of measurement uncertainty affecting amounts disclosed in this Report, together with other significant uncertainties affecting qualitative disclosures such as scenario analysis and resilience assessment.

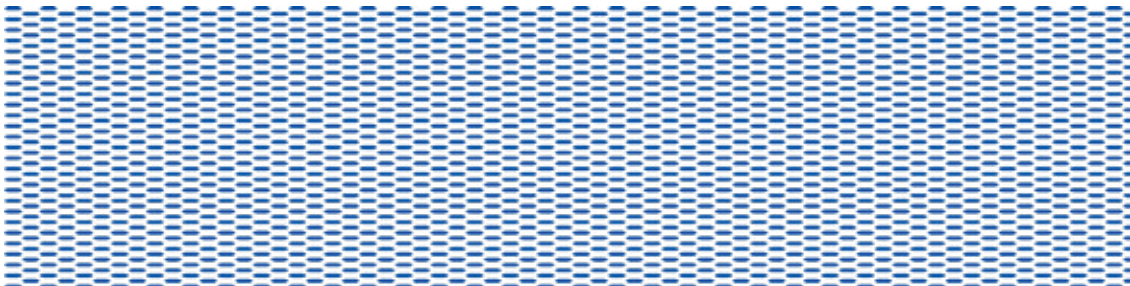
Where Codan has disclosed an amount, the table identifies the amount or category of amount affected. Where Codan has not quantified an amount, it is because Codan has determined that the measurement uncertainty is too high for the resulting information to be useful. The table identifies the affected disclosure and the financial statement line items most likely to be affected.

Scope 1 GHG emissions	Uncertainty arises from the use of emissions factors, data availability and estimation methods for fleet fuel, stationary fuel and refrigerants. Codan applied the operational control approach and used primary activity data where available. Where data was incomplete or unavailable, Codan used estimation methods including extrapolation of partial-period data, spend-based fuel estimates and equipment-based refrigerant leakage estimates. The disclosed amount is most sensitive to estimated fuel and refrigerant data and the emissions factors applied. Codan does not expect reasonably possible changes in assumptions to materially alter the reported Scope 1 emissions profile. Uncertainty is expected to reduce as data collection processes mature, including through improved site-level data capture, more complete fleet fuel data and increased availability of refrigerant service records.
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Scope 2 location-based GHG emissions	Uncertainty arises from incomplete electricity consumption data and the use of jurisdiction-specific grid emissions factors. Codan used invoice data where available and otherwise estimated consumption using extrapolation, floor area or other activity data. The disclosed amount is most sensitive to estimated electricity consumption at landlord-managed sites and changes in location-based grid emissions factors. Codan does not expect reasonably possible changes in assumptions to materially alter the reported Scope 2 location-based emissions profile. Uncertainty is expected to reduce as Codan improves access to electricity consumption data, including through direct utility data, landlord engagement and improved data collection controls.
Current financial effects of identified climate-related risks	Codan has disclosed that identified climate-related risks did not have a material effect on Codan's financial position, financial performance or cash flows in FY26. This assessment is subject to uncertainty because climate-related impacts may not always be separately identifiable from other operational, supply chain, logistics or regulatory cost drivers. Codan assessed current financial effects through enquiries with the finance function and business units and considered whether any identified impacts were material to Codan's financial position, performance or cash flows. Reasonably possible outcomes for FY26 are assessed as ranging from no separately identifiable financial effect to immaterial financial effects absorbed within ordinary operating results. Codan does not expect a material adjustment in FY27 based on current information. Uncertainty is expected to reduce as Codan further develops processes to identify and track climate-related costs, including costs associated with compliance, supply chain disruption and emissions management.
Anticipated financial effects of physical climate-related risk	Codan could not quantify the anticipated financial effects of increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns. Historically, Codan has not identified material financial impacts directly attributable to climate-related physical hazards. Future impacts remain uncertain because outcomes depend on the timing, location, severity and duration of physical hazards, the supplier, product or freight route affected, and the effectiveness of mitigation measures. Codan assumed that its existing supply chain, inventory, sourcing, business continuity and insurance arrangements continue to operate. Codan also assumed that future mitigation measures may address broader supply chain and operational resilience risks and may not be separately attributable to climate-related physical risk. Reasonably possible outcomes range from no material financial effect, where no significant disruption occurs or disruption is mitigated, to increased cost of sales, revenue deferral or timing impacts on operating cash flows if component supply, contract manufacturing or freight is disrupted. Codan has not disclosed a quantified range because the number and variability of assumptions mean the resulting range would not be useful. Uncertainty is expected to reduce as Codan develops more granular supplier and logistics data, performs location-specific physical risk analysis, and improves its ability to model the financial effects of disruption scenarios.

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Anticipated financial effects of emerging regulation	Codan has not quantified the anticipated financial effects of carbon pricing, reporting obligations or sustainable product regulation. Measurement uncertainty is high because outcomes depend on future policy settings, jurisdictional application, carbon prices, supplier pass-through, product scope and the nature of any resulting compliance or redesign requirements. Codan assumed near-term compliance and procurement-related costs could generally be absorbed within ordinary operating expenditure unless more material product or supply chain impacts arise. Reasonably possible outcomes vary by exposure: • For direct Scope 1 and 2 emissions, impacts are not expected to materially affect financial position, financial performance or cash flows. • For supply chain exposure, outcomes range from no material effect to increased cost of sales where suppliers or logistics providers pass through carbon pricing or compliance costs. • For sustainable products, outcomes range from no material effect to increased compliance, product development, engineering or cost of sales impacts where requirements apply to specific products or markets. Codan has not disclosed any quantified range(s) where data is insufficient, particularly for supply chain emissions, supplier cost pass-through and product-level impacts. Uncertainty is expected to reduce as regulatory frameworks develop and as Codan enhances its Scope 3, supplier emissions and product lifecycle data, and develops more quantitative approaches to assessing carbon pricing exposure.
Scenario analysis and resilience assessment	These disclosures are subject to outcome uncertainty rather than uncertainty in a quantified amount. Uncertainty arises from the use of forward-looking scenarios, qualitative methods and assumptions about global and regional climate, policy, market and technology pathways. Codan used NGFS Net Zero 2050 and Current Policies scenarios, supplemented by additional regional and jurisdictional inputs where relevant. Codan did not assign probabilities to scenarios and did not use scenario analysis as a forecast. The resilience assessment is sensitive to the timing, severity and location of physical hazards, the development of climate-related regulation, supplier responses and customer requirements. Codan’s qualitative conclusion may change if future conditions differ materially from the assumptions used in FY26. Uncertainty is expected to reduce as Codan’s scenario analysis capability matures, including through more granular location-specific risk assessment, supplier-level analysis and quantitative stress testing where useful and proportionate.



Governance

Oversight by the Board

Codan's Board is responsible for demonstrating leadership, providing strategic oversight and guidance, and overseeing the effective management and delivery of Codan's business objectives and shareholder value. The Board also sets the risk appetite within which management operates. As part of these responsibilities, the Board has oversight of CRROs that could reasonably be expected to affect Codan's prospects.

The Board is supported by the Audit and Risk Committee (**ARC**) which oversees the effectiveness of Codan's financial reporting, audit processes, risk management and compliance processes. The ARC Charter authorises ARC to assist the Board in relation to, among other things, climate-related risks. This includes oversight of the identification, assessment and monitoring of CRROs, as well as the review of climate-related disclosures prior to their approval by the Board.

The Board and the ARC are supported in their oversight of climate-related matters by the General Counsel and Company Secretary (**GC**), the Sustainability Manager and the Sustainability Council. The Board receives quarterly updates from the GC on climate-related matters. In FY26, these updates have kept the Board informed of Codan's preparation of climate-related risk and opportunity disclosures in accordance with AASB S2.

The ARC receives updates on CRROs through its oversight of the Group Risk Register, at least annually as part of the June review, and when there are changes to Codan's risk profile. Where a CRRO that could reasonably be expected to affect Codan's prospects is identified outside normal reporting cycles, it is escalated to the ARC or the Board by the GC or the CEO as an urgent matter. In FY26, the ARC reviewed papers relating to climate-related matters on four occasions and:

- Received updates on the alignment with AASB S2, identification and assessment of CRROs and preparation of this Report.
- Reviewed the significant areas of judgement involved in preparing climate-related disclosures.
- Reviewed this Report and recommended it for approval by the Board.

The Chair of the ARC reports to the Board following each ARC meeting, and the Board receives copies of ARC meeting minutes.

Matters relating to Codan's CRROs, including the FY26 assessment, significant judgements and this Report, were reported to the Board through this process. No urgent or out-of-cycle climate-related matter requiring immediate Board action was identified throughout FY26.

Codan assesses CRROs through its existing governance, risk management, strategy and business planning processes, rather than through a separate stand-alone climate governance process. Climate-related risks are considered as part of the Group Risk Register, while climate-related opportunities, where identified, are assessed by Codan management (including the Sustainability Manager) through the same processes used for other strategic and commercial opportunities. Where such risks or opportunities could reasonably be expected to affect Codan's prospects, or otherwise require Board consideration, they are escalated to the Board through standard management reporting channels. No climate-related opportunity of this nature has been identified to date.

Codan does not currently operate a separate stand-alone Board process for assessing CRROs in strategy or major transactions. Instead, Sustainability Manager and the Sustainability Council considers whether identified CRROs are relevant to Board decisions through Codan's existing strategy, budgeting, capital allocation, acquisition, procurement and risk review processes. Where a Board paper relates to a matter that may be affected by an identified CRRO, including a relevant business unit, geography, supply chain exposure, regulatory jurisdiction, product category or material operating cost, that climate-related consideration is included in the relevant strategic, financial, operational or risk analysis provided to the Board.

Codan will assess the effectiveness of this approach annually and, if its exposure to CRROs changes or the existing processes are no longer considered appropriate, will implement a standalone CRRO reporting process.

SUSTAINABILITY REPORT

Board Skills and Competencies

The Board assesses its collective skills, experience and competencies annually as part of Codan's Board and Committees evaluation process and Board skills matrix review. This process is used to assess whether the Board and its Committees have the collective skills required to oversee Codan's strategy, business model, risk profile, governance obligations and business operations, including emerging and evolving risks.

The Board skills matrix is reviewed having regard to Codan's strategic priorities, business activities, operating environment, key risks and governance responsibilities. The outcomes of this assessment are considered by the Board and, where relevant, inform Board composition, succession planning, Committee membership, director induction, ongoing director education and the use of external advisers.

In FY26, the Board evaluation process included specific consideration of ESG oversight and reporting. This included consideration of the Board's oversight of ESG risks and opportunities through ARC, the integration of ESG factors into Codan's strategy, the quality and frequency of ESG information provided to the Board, management's skills and access to expertise to oversee ESG matters, and the Board's oversight of climate-related disclosures.

The Board skills matrix includes broad skills and experience, including general management, strategy, operational management, compliance, financial literacy, risk management and ESG oversight. The skills matrix does not include a separate standalone climate-specific skills category. The Board considers that climate-related oversight is currently most appropriately assessed through these broader skills and competencies, having regard to the nature of Codan's CRROs and the way those matters are managed through Codan's existing governance, strategy and enterprise risk management processes.

Board and ARC capability in relation to climate-related matters is developed through management reporting, Board and Committee papers, regulatory updates, briefings from external advisers, director training and the review of climate-related disclosures and supporting analysis. In FY26, this included reporting on AASB S2 implementation, the identification

and assessment of CRROs, GHG emissions reporting, scenario analysis, climate resilience and judgements applied in preparing this Report.

The Board will continue to assess annually whether its collective skills and access to expertise remain appropriate to oversee CRROs. This assessment will consider changes in Codan's risk profile, regulatory obligations, investor expectations, reporting maturity and the nature of climate-related matters affecting Codan's business model and value chain. Where the Board identifies a need for additional capability, Codan will address this through targeted director training, management and external adviser briefings, changes to Board or Committee composition, or the inclusion of more specific climate-related competencies in future Board skills matrix reviews.

Role of Management

The Board delegates the overall management and performance of the Group to the CEO through the Board Charter. The CEO reports to the Board and is responsible for implementing the strategic objectives, plan and policies approved by the Board and providing the Board with accurate, timely and clear information on the Group's operations. The CEO has authority to sub-delegate to the senior executive team.

Codan has established a Sustainability Council to maintain and implement Codan's ESG Framework. The Sustainability Council operates under defined Terms of Reference, which include the responsibilities related to CRROs. 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 GC, its Chief Human Resources Officer (**CHRO**) and its Sustainability Manager. The Council is 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.

The CHRO is the executive representative on the Sustainability Council. The CHRO reports any material information relating to 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, including CRROs.

The Sustainability Council met four times in FY26.

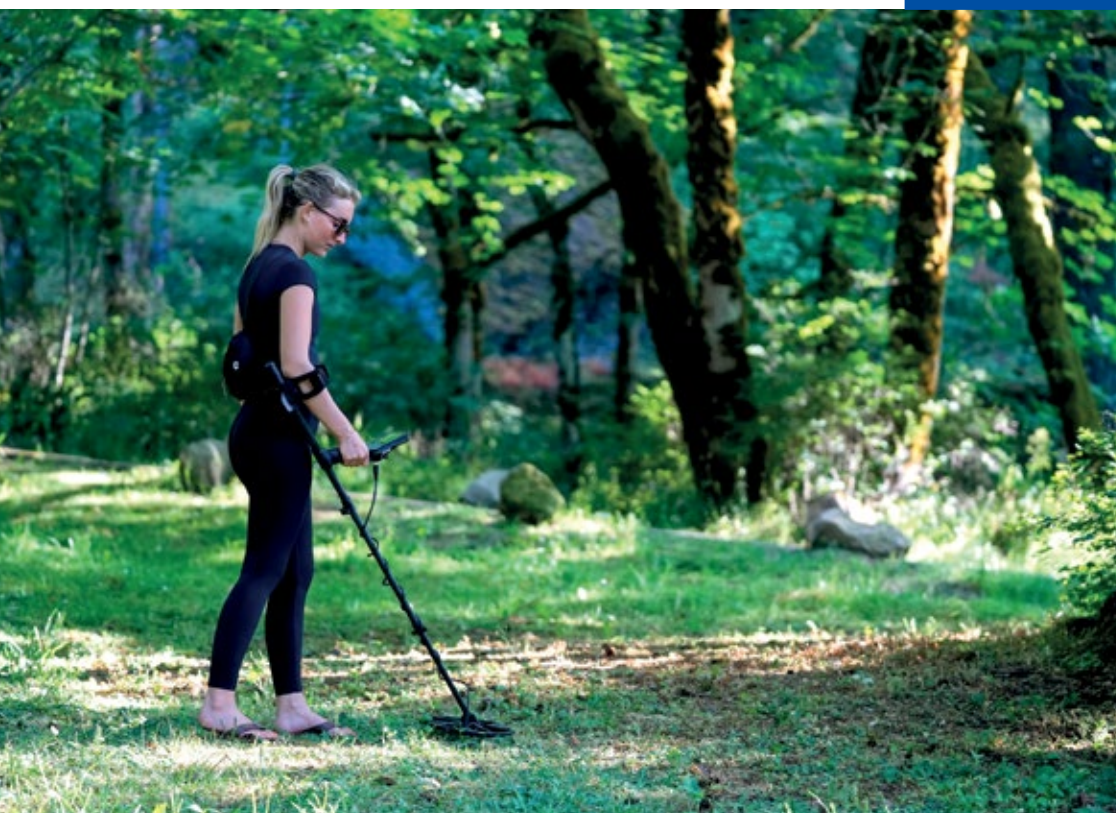
Controls and Procedures

Management has implemented controls and procedures to support the preparation and review of Codan's climate-related disclosures. Controls over GHG emissions data include defined data owners and data validators, standardised data collection templates, completeness and consistency checks, review by subject matter experts, investigation of outliers, sign-off by the Sustainability Manager, and consolidation through Codan's carbon management software platform. CRRO disclosures are subject to management, executive and ARC reviews before approval by the Board. From FY26, Codan's Scope 1 and Scope 2 GHG emissions disclosures are subject to external assurance. For further details, see Risk Management, Monitoring and Management.

Codan has implemented a carbon management software platform and engaged external consultants to provide subject matter expertise on data quality and appropriate measurement.

Performance Metrics

The only climate-related targets set within Codan are the emissions reduction targets adopted by Domo Tactical Communications (DTC) Limited (**DTC UK**) under its Carbon Reduction Plan. These targets apply only to DTC UK and do not apply to Codan Limited, the Codan Group, or any other Codan controlled entity, business unit or segment. The targets are reviewed and reported publicly in DTC's annual 'Carbon Reduction Plan', with progress monitored by the DTC Group Chief Operating Officer. Codan has not established any group-wide transition plan or climate-related targets.



Strategy

Codan’s Climate Strategy

Codan addresses CRRs as part of its broader strategy to support sustainable, profitable growth and maintain the performance and resilience of the business. This approach is supported by the characteristics of Codan’s business model, including geographic diversification, a portfolio of products and customer segments, and demand that is driven by performance requirements in specialised operating environments.

Codan manages a range of business risks, including geopolitical, supply chain and operational risks, through its enterprise risk management framework. This framework provides a basis for identifying and assessing climate-related risks alongside other risk factors that may affect Codan’s operations and value chain.

These business model characteristics and risk management practices support Codan’s ability to respond to changes in market conditions, including those arising from climate-related developments. This is reinforced by ongoing investment in product development and engineering capability to sustain product performance and reliability across its segments.

Codan’s assessment of CRRs informs its approach to managing potential exposures across its operations and value chain, including consideration of physical and transition risks and their implications for emissions management over time. These considerations support the integration of climate-related factors into Codan’s broader strategy and risk management processes, taking into account commercial and operational factors.

Codan considers the potential impacts of climate change across the following time horizons:

The short-term and medium-term horizons align with Codan’s budgets, business cycles, product cycles and strategy horizons at a business unit level and group level. The long-term horizon is considered sufficient to capture the period over which climate-related impacts are expected to emerge and may become relevant for decision-making.

Business Model and Value Chain

Codan is a global technology company that designs, develops, manufactures and markets electronic solutions for government, commercial and consumer markets. Codan operates through three business segments: metal detection (**Minelab**), mission critical communications (**Zetron**) and tactical communications and broadcast (**DTC**).

Codan’s business model is based on applying engineering and manufacturing capability to transform key inputs into specialised products. Key inputs include electronic components and raw materials, skilled employees, proprietary technology, and relationships with suppliers, contract manufacturers, distributors and customers.

Codan’s operations are geographically diversified, with activities spanning multiple jurisdictions, supply chains and end markets. Its business model is characterised by a portfolio of products and customer segments, with no single reliance on a particular location, market or product line. This diversification contributes to the resilience of Codan’s business model and informs its assessment of CRRs.

Codan’s principal activities comprise the design, development, manufacture and marketing of electronic equipment:

- **Minelab** – metal detection technologies for recreational, artisanal and professional users.
- **Zetron** – communications systems supporting public safety, emergency response and infrastructure operations.
- **DTC** – communications technologies for defence, law enforcement, security and broadcast applications.



Demand for Codan's products is primarily driven by performance requirements in specific operating environments and end markets, including the need for durable and reliable equipment in harsh or remote conditions and for mission-critical applications such as defence, security and emergency response.

These activities generate revenue through the sale of products and related services to a global customer base, supported by distributor networks, system integrators and direct sales channels.

Codan operates within a global value chain, with upstream dependencies on component suppliers and contract manufacturing, and downstream relationships with distributors, government and commercial customers, and individual consumers. This value chain structure underpins Codan's assessment of CRROs across its operations and broader value chain.

Codan assessed the current and anticipated effects of its identified climate-related risks on its business model and value chain. In FY26, the identified climate-related risks did not materially affect the structure of Codan's business model or the operation of its value chain. Over the short, medium and long term, Codan does not anticipate that these risks will require a material change to its business model. The anticipated effects are expected to arise primarily through Codan's value chain, including the supply of materials and

components, contract manufacturing, logistics and distribution channels, product development and regulatory compliance activities, rather than through material direct exposure of Codan-owned assets.

The areas of concentration and the current and anticipated effects of each identified climate-related risk are described in Climate-Related Risks and Opportunities and Impacts of Identified Risks.

Climate-Related Risks and Opportunities

Codan conducted an assessment in FY26 to identify the CRROs that could reasonably be expected to affect its prospects, i.e. its cash flows, access to finance or cost of capital over the short, medium or long term. The assessment built on work undertaken by Codan in FY25 to develop a provisional list of risks and opportunities and was informed by findings from scenario analysis conducted in FY26. The materiality assessment considered the potential impact and likelihood of CRROs and their potential financial impact, together with relevant qualitative factors, applying Codan's defined time horizons.

This assessment resulted in the identification of three climate-related risks that could reasonably be expected to affect Codan's prospects, summarised in the table below. No climate-related opportunities that could reasonably be expected to affect Codan's prospects were identified.

Type	Driver	Area of value chain	Timeframe
Physical risk	<i>Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns</i>	Supply of materials and components, distribution channels	Short, medium and long term
Transition risk	<i>Emerging regulation on carbon pricing and reporting</i>	Supply of materials and components, distribution channels, Codan's administration and compliance activities	Medium and long term
Transition risk	<i>Emerging regulation on sustainable products</i>	Codan's administration and compliance activities, product development and sales	Medium and long term

Impacts of Identified Risks

For each of the identified climate-related risks, Codan assessed the potential effects on its business model and value chain, its strategic and operational decision-making including current and planned mitigation, and financial effects. Codan also considered the vulnerability of its business activities to these risks.

This assessment draws on the assessment described above and is informed, where relevant, by scenario analysis outputs that illustrate how key risk drivers may evolve under different climate futures.

Physical risk: Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns

Nature of risk

Increasing severity and frequency of acute weather events (severe weather, extreme heat, extreme rain/flood) and longer-term shifts in climatic patterns (sea level rise, increasing temperatures, drought/water stress) – which exacerbate risks related to supply chain, business continuity and freight.

Business model and value chain impact

There were no effects of this risk on Codan’s business model and value chain in FY26.

Codan does not currently anticipate that physical climate-related risks will materially alter its business model, given the diversity of its business activities and the geographic dispersion of their locations, which reduces reliance on individual sites and limits direct exposure to physical risks.

Physical climate-related risks are concentrated in Codan’s supply chain and distribution channels:

- The supply of components and products may be interrupted or delayed e.g. product manufacturing impacted by flooding or availability of components impacted by extended dry period.
- Operating costs of suppliers (contract manufacturers, component manufacturers) may increase, e.g. with increasing requirements for cooling facilities and decline in productivity.
- Distribution channels may be interrupted e.g. freight delays caused by storm surge at port or damage to infrastructure.

Mitigation and response

Codan engages with its key contract manufacturers through ordinary supplier management processes to understand matters relevant to continuity of supply, including facility resilience, production capacity, component availability and lead times, and potential disruption to manufacturing or logistics. Information obtained through these discussions is considered alongside Codan’s inventory management, alternate sourcing, logistics and business continuity arrangements when assessing supply chain resilience to physical climate-related risks.

Codan has not implemented a standalone climate-specific mitigation program for this risk. However, existing enterprise risk responses implemented to manage supplier concentration, contract manufacturing continuity, component availability, geopolitical disruption and other business continuity risks also mitigate Codan’s exposure to acute weather events and longer-term physical climate hazards.

Codan has expanded its global footprint of contract manufacturers and is reducing reliance on geographically concentrated contract manufacturing capability. This diversification was undertaken to improve operational resilience to a range of supply chain and business continuity risks, rather than specifically in response to climate-related physical risk. However, it also reduces Codan’s exposure to an acute weather event affecting a single contract manufacturing location by increasing the number of available manufacturing pathways, improving redundancy and supporting greater flexibility in production and logistics.

Mitigation and response *continued*

Codan therefore considers these existing supply chain resilience measures relevant to its assessment of climate-related physical risk. Acute weather events and longer-term shifts in climatic patterns may affect Codan through the same operational pathways as other supply chain disruptions, including interruption to contract manufacturing, component availability, freight routes and distribution channels. The controls described below support Codan's ability to absorb or respond to those disruptions, even where the controls were originally implemented for broader enterprise risk management purposes.

These controls include:

- maintaining supply agreements with buffer stock holding, committed supply volumes and pricing arrangements for key components and finished goods;
- maintaining approximately three months' buffer stock to mitigate against significant interruption in supply;
- implementing or progressing dual or alternate sourcing strategies for key components across DTC, Minelab and Zetron;
- monitoring component discontinuations and keeping redesign options under review;
- maintaining flexibility to accelerate product development work where manufacturing disruption affects particular products or components;
- diversifying distribution models, including multiple distribution channels and a wider selection of freight forwarders;
- maintaining adequate levels of finished goods stock in locations close to key markets;
- maintaining insurance coverage for business interruption and property damage; and
- maintaining plans to address disruptions in supply and distribution, including loss of premises or connectivity due to natural disasters and the capability for remote working.

Current financial effects

Acute weather events and longer-term shifts in climatic patterns, as well as the cost of mitigation measures, did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Disruption to contract manufacturing, supply of components or freight may reduce Codan's revenue and increase costs associated with impacted products and reduce cash inflow from operating activities.

Codan is currently unable to quantify potential financial effects across all time horizons. Significant uncertainty exists due to variables such as the severity and geographic extent of the hazards, the affected parts of the value chain and the duration and extent of any interruption to Codan's business activities. It is not possible to separately identify or quantify the costs of future mitigation or controls, as Codan anticipates that future measures will be taken to support resilience to geopolitical and other business risks as well as climate resilience.

It is assumed that existing insurance coverage will be maintained over the short, medium and long term. It could reasonably be expected that insurance premiums will increase, but increases may be driven by a range of factors that include physical climate-related risks.

Vulnerability

Physical risks are concentrated in Codan's upstream supply chain due to the location of component manufacturers' facilities in Taiwan and South Korea and the location of Codan's contract manufacturers' facilities in Penang, Malaysia. Codan's business activities (Minelab, DTC and Zetron) are indirectly exposed to these risks as a result.

This assessment distinguishes exposure from vulnerability. Codan remains exposed to this risk through the value chain areas described above; however, after considering existing controls, mitigation measures and response capability, Codan has not assessed any of its principal business activities as vulnerable to this risk at the reporting date.

This assessment reflects the capacity of Codan's business model to absorb and respond to disruptions rather than an absence of exposure. Codan will review this assessment in the next reporting year.

SUSTAINABILITY REPORT

Transition risk: Emerging regulation on carbon pricing and reporting

Nature of risk

Emerging regulation on carbon pricing, climate-related disclosure and procurement-based emissions requirements increases compliance obligations and increases costs.

Business model and value chain impact

Emerging regulation could take the form of explicit carbon pricing (carbon taxes and emissions trading schemes), implicit carbon pricing (e.g. efficiency standards), climate-related disclosure and reporting requirements, and procurement-based requirements in certain jurisdictions, where participation in government tenders is contingent on maintaining emissions reduction plans.

Codan's exposure to the risk of explicit and implicit carbon pricing is limited by its relatively low Scope 1 and 2 GHG emissions. This risk is concentrated in Codan's supply chain and distribution channels where there are more significant sources of emissions. Anticipated effects on Codan's supply chain include:

- Suppliers of components, products and transport services may face increasing costs arising from investment in emissions reduction technologies and purchase of carbon offsets.
- Suppliers of components, products and transport services may face increasing compliance obligations for collection, analysis and reporting of GHG emissions data and climate-related disclosures.

Increasing costs may be passed through the supply chain to Codan.

In the event that Codan becomes subject to the application of carbon pricing regulations in the future, Codan may incur additional costs for investing in emissions reduction technologies and purchasing carbon offsets.

Procurement-based emissions requirements, such as requirements for participation in government tenders, may require Codan to disclose and implement emissions reduction plans in respect of the relevant business activity. For example, in relation to DTC's UK operations, a Carbon Reduction Plan was established in FY23 to meet UK government tendering requirements. For further details, see Climate-related targets. Such requirements may result in incremental compliance costs and result in further development of emissions management practices.

Mitigation and response

Codan is mitigating its supply chain carbon pricing exposure through measures such as:

- Working with external consultants to evaluate the materials and components used in Codan's products and identify opportunities to reduce associated GHG emissions.
- Working with key suppliers to enhance the quality of data on the GHG emissions associated with the manufacture of Codan's products.
- Engaging with key suppliers on their strategies to reduce emissions and monitoring their progress.

Codan has enacted or is pursuing a range of measures to improve energy efficiency and manage exposure to emissions across its operations and supply chain including:

- Travel and fleet management – measures to reduce emissions from business travel, including a preference for electric and low-emission transport options and a commitment to transition fleet vehicles to lower-emission alternatives over time.
- Distribution – prioritisation of lower-emission freight options, such as sea freight over air freight where operationally feasible, to reduce emissions associated with transport and distribution.
- Facilities – installation of rooftop solar and EV charging infrastructure.
- Supply chain engagement and lifecycle emissions assessment – ongoing engagement with contract manufacturers on efficiency initiatives for Codan's products.
- Lifecycle emissions assessment – ongoing work to assess embodied carbon in Codan's products and identify opportunities to reduce lifecycle emissions.

Mitigation and response *continued*

Codan has implemented controls to support the Company's climate reporting readiness. These include continued enhancement of GHG emissions data quality and engaging external consultants to co-ordinate cross-functional input from Codan's business units and supply chain, facilities and logistics functions as part of the implementation of AASB S2.

Monitoring of the DTC Carbon Reduction Plan is undertaken annually at a business unit level and informs Codan's ongoing development of emissions management practices across the group. For further details, see Climate-related Targets.

Current financial effects

Emerging regulation on carbon pricing, reporting and procurement-based requirements, along with existing controls, did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Codan does not consider that carbon pricing is likely to materially affect Codan's financial position, performance or cash flows over the short, medium or long term. This is due to Codan's relatively low Scope 1 and 2 emissions and mitigation strategies that can be employed. Codan has used the carbon price projections in the NGFS Net Zero scenario to inform this assessment.

Codan is unable to quantify the potential financial effects arising in relation to increasing carbon pricing costs in its supply chain. The timing and extent of the impacts depend on the evolution of policy settings in the locations where Codan's suppliers operate. There is significant uncertainty regarding future carbon pricing and regulatory mechanisms in the medium and long term. Codan's cost of sales is the line item most likely to be impacted.

Codan does not consider that increasing reporting and procurement-based requirements are likely to materially affect Codan's financial position, performance or cash flows over the short, medium or long term. Codan expects incremental compliance and control costs to be absorbed within normal operating expenditure.

Vulnerability

Codan's direct exposure is limited due to its relatively low Scope 1 and 2 emissions. However, it is indirectly exposed through its supply chain, where suppliers and distribution channels may face increased costs and compliance obligations.

Taking into account Codan's limited exposure and the mitigation activities being undertaken, Codan does not consider that its business activities are vulnerable to this risk. Codan will review this assessment in the next reporting year.

SUSTAINABILITY REPORT

Transition risk: Emerging regulation on sustainable products

Nature of risk

Emerging regulation on sustainable products may introduce additional reporting, materials and design requirements which may increase compliance obligations and costs.

Business model and value chain impact

Codan's products may become subject to regulatory requirements on matters including durability, reparability, disassembly, content of recycled materials and data on lifecycle emissions.

The effects on Codan's operations may include:

- Increasing compliance and administrative obligations for collection, analysis, certification, reporting and documentation in respect of Codan's products.
- Enhanced supplier due diligence and potential constraints on materials and component selection.
- Product design and engineering changes.
- Potential trade-offs between performance, durability and compliance.

The impacts on Codan's defence, security and emergency response customer segments may be limited where jurisdictions narrow the scope of regulation, for example by prioritising product performance over sustainability requirements in these sectors.

Mitigation and response

Codan already responds to existing and emerging compliance requirements and standards that apply to products in Codan's operating and sales jurisdictions, including requirements related to e-waste, battery recycling, disassembly and packaging. Codan considers that emerging regulation on sustainable products can be managed within its established systems.

As part of Codan's response to transition-related risks, Codan is working with external consultants to evaluate the materials and components used in Codan's products and identify opportunities to reduce associated GHG emissions. This will support the development of data on the lifecycle emissions of Codan's products and inform Codan's response to emerging product sustainability requirements.

Codan's products are designed for durability, with a focus on rugged, long-life performance, which may reduce the extent of redesign required to meet emerging sustainability requirements. In addition, relatively short development timeframes support Codan's ability to adapt to new regulations.

Current financial effects

Emerging regulation on sustainable products did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Codan is unable to quantify the potential financial effects of emerging regulation on sustainable products. There is significant variability in the timing, scope and jurisdictional application of regulatory requirements, and any estimates would involve such extent of uncertainty that quantified information would not be useful. Codan's cost of sales is the line item most likely to be impacted.

Codan will update its assessment as more reliable data becomes available, and its understanding of the potential impacts evolves.

Vulnerability

Codan is exposed to potential future sustainable product regulation in markets in which it sells products. However, no current sustainable product regulation has been identified that is expected to require material changes to Codan's products or business activities. After considering Codan's existing product compliance processes, product durability and engineering capability, Codan has not assessed any of its principal business activities as vulnerable to this risk at the reporting date.

Codan will review this assessment in the next reporting year.

Capital Allocation and Resourcing

Codan has not allocated specific capital to CRROs and has not approved any material capital expenditure specifically for climate-related mitigation or adaptation as at the reporting date. Codan manages identified climate-related risks through its existing business model, operating disciplines and enterprise risk management processes, including supply chain management, business continuity planning, supplier engagement, product compliance, product development and emissions reporting processes.

The costs associated with these activities are expected to be absorbed within ordinary operating expenditure and existing business unit budgets. Where initiatives may also support climate-related risk management, emissions management or operational resilience, they are assessed and approved through Codan's ordinary budgeting, capital allocation and procurement processes having regard to broader commercial, operational and strategic considerations.

Based on Codan's FY26 assessment, the identified climate-related risks are not expected to require material changes to Codan's business model, asset base or capital allocation plans. Codan will continue to review potential capital and operating expenditure requirements as part of its annual strategy, budgeting and risk management processes.

The anticipated financial effects of the climate-related risks identified in this Report have been assessed as subject to a high degree of measurement uncertainty. Codan also considered the combined effects of these climate-related risks in aggregate and determined that the resulting information would not be useful to users of the Report. Codan will continue to assess the availability of relevant data and the exposure to these risks in future reporting periods.



SUSTAINABILITY REPORT



Climate Resilience

Approach to Climate Scenario Analysis

In FY26, Codan conducted scenario analysis. The analysis was primarily qualitative, supported by quantitative inputs where appropriate. Codan determined that this approach was commensurate with its circumstances, based on Codan’s exposure to CRROs and its skills, capability and resources available. In future

reporting years, Codan intends to progressively mature its approach to testing resilience using more technically sophisticated scenario analysis including location-specific risk assessments and quantitative stress testing.

Codan used the following scenarios to assess resilience in two diverse plausible futures, recognising that different types of risk are best analysed using different underlying assumptions:

1.5°C

Orderly transition
NGFS Net Zero 2050
A low emissions scenario driven by immediate and stringent policy action.
Used to assess resilience to transition risks:

- Emerging regulation on emissions reduction and carbon pricing
- Emerging regulation on sustainable products
- Renewable energy sources and resource efficiency

3°C

Hot house world
NGFS Current Policies
A high emissions scenario driven by no further strengthening of current climate policy.
Used to assess resilience to physical risks:

- Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns

Codan chose NGFS scenarios because they have global coverage and an integrated assessment of physical and transition risks. They were developed to provide a common starting point for analysing climate-related risks to the economy and the financial system. Results from NGFS scenarios represent aggregate sectors and markets and are appropriate for Codan's global, geographically diversified business model and supply chain and

multiple market segments. The key drivers in the NGFS scenarios are the evolution of emissions and carbon prices, serving as a strong foundation for Codan to begin its analysis of the strategic implications of physical and transition risks.

Key assumptions in the scenarios and their relevance for assessing Codan's climate resilience are summarised below.

Hot house world

NGFS Current Policies

~3°C

Overview

Only currently implemented policies are preserved.

Existing climate policies remain in place but there is no strengthening of ambition level of these policies.

Physical risks dominate.

Key assumptions

- Lack of global coordination on tackling climate change.
- Emissions continue to rise until mid-century and then gradually decline.
- Climate policies reflect those currently implemented or legislated.
- Transition is slow and uneven, with ongoing reliance on fossil fuels and gradual, regionally variable uptake of low-emissions technologies.
- Improvements in energy intensity are modest and the energy mix evolves incrementally.
- Carbon pricing remains limited, uneven and generally low across jurisdictions.
- These conditions result in weaker and less consistent investment signals, limited structural change in the energy system, and a progressive increase in chronic and acute physical climate risks over the medium to long term.

Reasons for selection

- Enables assessment of resilience under conditions of severe physical risk.
- Legislative requirement for Codan to use a scenario in which global warming well exceeds 2°C (2.5°C or higher).

SUSTAINABILITY REPORT

Orderly transition	
NGFS Net Zero 2050	
~1.5°C	
Overview	Global warming is limited to 1.5°C (with a 50% chance) through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia, and Japan reach net zero for all GHGs by 2050. Transition risks and opportunities dominate.
Key assumptions	• Immediate, coordinated and ambitious global climate action to reduce emissions to net zero by 2050 in advanced economies and around 2070 globally. • Transition is orderly and immediate, with early policy action, rapid deployment of low-emissions technologies and declining energy intensity, driving a progressive shift to predominantly renewable energy system. • Carbon pricing is introduced early and increases substantially, resulting in near-term increases in energy prices driven by investment requirements and carbon costs, which stabilise over time as the energy system transitions. • These conditions support relatively stable investment signals and a smooth reallocation of capital.
Reasons for selection	• Enables assessment of resilience under orderly transition pathway to a low carbon economy. • Legislative requirement for Codan to use a scenario in which global warming is limited to 1.5°C. • Aligned with latest international agreement on climate change.

Codan incorporated additional inputs to contextualise these scenarios and support an analysis of impacts to Codan’s business activities and value chain. Additional inputs included:

- Current and announced policy and regulation in the EU, to reflect plausible policy settings in key markets where Codan operates or sells into.
- National climate risk assessments and regional physical hazards projections from government and institutional sources, to contextualise exposure to physical risks.

The scope of the scenario analysis covered Codan’s three business activities (Minelab, Zetron and DTC), their global supply chains, customer segments and key sales regions.

Codan used 2030 and 2050 as climate scenario reference points, while using its own short, medium and long-term horizons for business planning and CRRO assessment.

The scenario dates were used to understand the direction and potential severity of climate drivers, such as physical hazards and regulatory change, not as direct substitutes for Codan’s planning periods.

The two timing frameworks serve different purposes: scenario analysis uses longer-dated reference points suited to climate modelling, while Codan’s time horizons reflect the periods used for business planning, strategy and decision-making. Codan therefore interpreted the 2030 outputs qualitatively for medium assessment, the 2050 outputs for long-term assessment, and assessed short-term implications using current conditions, observed trends and existing risk management processes. Scenarios are analytical tools and should not be regarded as predictions or forecast. Codan does not assign a likelihood to either of these scenarios occurring.

Scenario analysis findings

Hot house world

Heatwaves become more frequent and intense. Heavier and more erratic rainfall events raise risk of flooding. Droughts become more widespread and prolonged. Sea levels continue to rise with heightened risks for coastal and riverine cities.

Physical risk: Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns

Scenario implications

The exposure of Codan's supply chain and distribution channels to physical risks is expected to increase, which may result in:

- Disruption to contract manufacturing and component supply, leading to delays in production and potential revenue deferral.
- Reduced supplier productivity and higher operating costs, including costs associated with cooling, water management and facility resilience.
- Increased cost and variability of logistics and distribution, including freight delays and infrastructure disruption.
- Greater volatility in lead times and inventory management.

Codan's customers will be exposed to worsening climate impacts, which may place greater demands on defence, security and emergency response capabilities. Existing customer requirements for durable and rugged products will be reinforced.

Potential responses

Codan could respond to this scenario in the following ways:

- Continue to diversify supply chain locations and manufacturing pathways to reduce concentration risk.
- Increase buffer stock holding and revise inventory strategies to manage short-term disruptions.
- Adjust pricing, sourcing and inventory decisions to manage cost increases and supply variability.
- Review warehouse locations and freight options and optimise distribution channels.
- Develop additional engineering capability to adapt product design and component selection where supply constraints arise.
- Collate in-country data on customer responses to worsening climate impacts and monitor implications for sales.

Resilience assessment

Findings indicate that Codan has the capacity to respond and adapt to climate-related physical risks. The scenario primarily affects Codan's upstream supply chain and distribution channels through increased disruption, cost pressures and variability. These impacts do not fundamentally alter the demand drivers for Codan's products or the structure of its business model.

Codan's resilience is supported by the following characteristics:

Supply chain management capability

Codan's existing focus on supplier diversification, dual sourcing and inventory management supports its ability to respond to disruption and variability in supply.

Operational flexibility

Codan maintains flexibility in production, logistics and inventory decisions, enabling it to adjust to short-term disruptions and changing conditions.

Diversified markets and channels

Codan's exposure across multiple geographies and customer segments reduces reliance on any single location or product type.

While physical risks may increase costs and introduce operational variability, these impacts are expected to be manageable within Codan's existing operating model and mitigation strategies.

SUSTAINABILITY REPORT

Significant areas of uncertainty

The assessment of resilience under this scenario is subject to uncertainty in the timing, severity and geographic distribution of physical climate hazards. Although the scenario assumes an increase in frequency and intensity of events, the localised impacts on Codan's suppliers and logistics networks cannot be determined with precision. Outcomes may also be influenced by non-climate factors, including geopolitical conditions, infrastructure investment and supplier-specific resilience measures.

Orderly transition

Stringent climate policies and innovation achieve strong mitigation of climate change. Carbon pricing rises early and sharply. Other drivers are increasing electrification, deployment of renewables and energy efficiency. Global net zero CO2 emissions are reached by mid-century.

Transition risks:

- **Emerging regulation on emissions reduction and carbon pricing.**
- **Emerging regulation on sustainable products.**

Scenario implications

The orderly transition scenario may affect Codan through regulatory and cost-related changes:

- Expansion of climate-related disclosure requirements and product-level regulation across key jurisdictions (including the EU) may increase administrative and reporting requirements across Codan's operations and value chain.
- Suppliers of components, contract manufacturers and logistics providers may face increasing costs associated with decarbonisation, including investment in lower-emissions technologies and exposure to carbon pricing mechanisms. These costs may be passed through to Codan.
- Emerging sustainable product regulations may require changes to product design, materials selection, documentation and lifecycle data, including requirements relating to durability, reparability and embodied emissions.
- Customers may incorporate emissions performance, lifecycle impacts and compliance with sustainability standards into procurement decisions.

In this scenario, Codan may realise incremental operational benefits from renewable energy and resource efficiency initiatives; however, these matters were not identified in FY26 as climate-related opportunities that could reasonably be expected to affect Codan's prospects.

Potential responses

Codan could respond to this scenario in the following ways:

- Expand internal capability for climate-related reporting and product compliance in key jurisdictions.
- Incorporate emissions-related considerations into procurement, logistics and distribution decisions where commercially appropriate.
- Continue to engage with key suppliers on emissions reduction initiatives and monitor cost pass-through risks.
- Maintain flexibility in pricing and margin management in response to input cost increases.
- Integrate climate-related regulatory requirements into future product development and compliance processes.
- Continue to prioritise product design approaches that support durability and introduce reparability and efficient use of materials where performance is not compromised.
- Progressively adopt renewable energy sources where commercially viable opportunities arise.
- Continue to focus on efficiency and process optimisation.

Resilience assessment

Findings indicate that Codan has the capacity to respond and adapt to climate-related transition risks. The scenario is characterised by increasing regulatory requirements and rising input costs. These factors primarily affect Codan's supply chain, product standards, compliance and administrative functions, rather than fundamentally impacting demand for its products.

Codan's resilience is supported by the following characteristics of its business model and strategy:

Low direct emissions exposure

Codan's relatively low Scope 1 and 2 emissions limit its direct exposure to carbon pricing mechanisms.

Established compliance capabilities

Codan already operates in regulated markets and manages compliance with product standards across multiple jurisdictions. This provides a foundation for responding to emerging sustainability-related regulation.

Product positioning

Codan's products are designed for durability and performance in demanding environments. These characteristics are broadly aligned with emerging sustainability requirements, reducing the extent of redesign required.

Supply chain management capability

Codan's existing focus on supplier engagement and diversification supports its ability to respond to cost pressures and evolving supplier requirements.

Flexible operating model

Codan's geographically diversified operations and multiple end markets support its ability to adjust to regional differences in policy settings and customer requirements.

Based on Codan's relatively low direct emissions exposure, established compliance capability, product durability, supply chain management capability and flexible operating model, Codan expects these impacts to be manageable within its existing operating model and pricing structures. Codan will continue to monitor the timing and extent of regulation, customer requirements and supplier cost pass-through as these transition risks develop.

Significant areas of uncertainty

Several areas of uncertainty were considered in Codan's assessment of resilience in this scenario. Although the scenario assumes an ambitious and globally co-ordinated policy response, the timing and extent of climate policy will vary across Codan's operating locations and markets and there is significant uncertainty in the impacts of these policies on Codan's value chain. Outcomes may also be influenced by other factors that do not relate to climate change.

Capacity to Adjust or Adapt to Climate Change

Codan maintains strong cash generation and balance sheet capacity. It has the flexibility to adjust and adapt to emerging risks and changing operating conditions including those driven by climate change.

Consistent with the findings of the scenario analysis, Codan expects that climate-related impacts can be managed within its existing business model through ongoing investment in product engineering, supply chain management and operational efficiency. These capabilities support the reliability and performance of Codan's products and enable adaptation

to evolving environmental conditions and regulatory requirements.

Codan does not currently anticipate the need for material changes to its asset base or significant incremental capital investment specifically for climate-related mitigation or adaptation in the short to medium term. However, Codan will continue to assess CRROs as part of its broader capital allocation and strategic planning processes.

Codan will review its assessment of adaptive capacity in future reporting periods as more extensive data becomes available and as expectations and methodologies for climate-related scenario analysis evolve.

SUSTAINABILITY REPORT

Risk Management

Codan manages CRROs through its existing Risk Management Policy and Framework, which is aligned with the principles of ISO 31000.

Risk Identification

In FY26, Codan undertook a structured process to identify and assess CRROs for the purposes of AASB S2 reporting. This process was conducted alongside Codan's existing enterprise risk management processes, with partial integration achieved through alignment to the Group Risk Register.

The identification process incorporated a range of inputs, including:

- review of peer disclosures and regulatory developments
- analysis of historical impacts and operational experience
- input from internal stakeholders across facilities, supply chain and Codan's three business units.

This process resulted in an initial identification of potentially relevant CRROs. These were further analysed using scenario analysis to assess exposure to key physical and transition risk drivers under different climate futures. The outputs of this analysis, together with the broader inputs above, were used to refine and consolidate the climate-related risks that could reasonably be expected to impact its prospects as disclosed in the Strategy section.

As part of this process, Codan also considered the extent to which identified climate-related risks were already captured within the Group Risk Register under existing enterprise risks, including supply chain, business continuity and freight/logistics risks. Where relevant, climate-related factors were considered as drivers that may influence the likelihood or severity of these risks.

Assessment and Prioritisation

Identified CRROs were assessed using a structured process that considered their potential impact, likelihood and potential financial effects across Codan's defined time horizons, together with relevant qualitative factors.

Assessment area	How Codan applied the assessment
Nature of risk or opportunity	Considered whether the matter was a physical risk, transition risk or potential opportunity, and the relevant driver, value chain location, business activity and time horizon.
Magnitude of potential effect	Considered the potential effect on Codan's cash flows, access to finance or cost of capital, including the scale and reach of the impact across business activities and value chain dependencies.
Likelihood	Considered past events, current conditions, scenario analysis outputs and plausible future developments across Codan's defined time horizons.
Value chain concentration	Considered whether the matter was concentrated in particular suppliers, contract manufacturing locations, distribution channels, products, customer segments or regulatory jurisdictions.
Existing enterprise risk alignment	Considered whether the matter was already reflected in the Group Risk Register, including supply chain, business continuity, logistics or regulatory risks, and whether climate-related drivers could affect likelihood or severity.
Investor relevance	Considered whether information about the matter could reasonably influence users' decisions about providing resources to Codan.

Where climate-related risks were linked to existing enterprise risks, Codan reviewed existing risk ratings and considered whether climate-related drivers could affect the severity or likelihood of those risks over time.

This approach enabled Codan to prioritise climate-related risks on a basis broadly aligned with its enterprise risk management processes, while recognising that existing risk assessment criteria and thresholds may not fully capture the characteristics and longer-term nature of climate-related risks. The outcomes of this process informed the determination of the climate-related risks that could reasonably be expected to affect Codan's prospects and are disclosed in the Strategy section.

Codan does not have specific processes for the prioritisation and monitoring of climate-related opportunities. Having assessed potentially relevant opportunities as described above and in the Strategy section, Codan determined that there were no climate-related opportunities that could reasonably be expected to affect the Company's prospects. Appropriate processes may be developed in response to future CRRO assessments.

Integration

Climate-related risks are incorporated into Codan's Group Risk Register through a combination of:

- a specific transition risk, which captures risks associated with emerging climate-related regulation, including carbon pricing, reporting obligations and sustainable product requirements; and
- existing enterprise risks including supply chain, business continuity and freight/logistics risks, through which physical climate-related risks are managed.

This approach reflects the nature of Codan's exposure, where physical climate-related risks primarily affect upstream supply and distribution activities rather than Codan's business activities and assets.

Monitoring and Management

Climate-related risks are monitored and managed through existing risk management processes, including:

- Review of the Group Risk Register by management and the ARC.
- Ongoing supply chain monitoring and supplier engagement.
- Ongoing uplift in availability and quality of data on GHG emissions associated with Codan's activities.
- Management of environmental and sustainability risks through the Sustainability Council.

These processes support the ongoing identification of changes in risk exposure and the effectiveness of mitigation measures.

Management is responsible for the identification, assessment and day-to-day management of CRROs. The Sustainability Council supports coordination across the business and oversight of environmental and sustainability-related risk management activities.

CRROs are reported to the ARC and the Board through quarterly updates from the GC, including inputs from the Sustainability Council.

In future reporting years, Codan intends to enhance its approach to managing CRROs through:

- Further integration of scenario analysis outputs into risk assessment and decision-making.
- Development of more quantitative approaches to assessing financial effects over time.

These enhancements will be implemented progressively and in a manner proportionate to Codan's exposure to CRROs.

Metrics and Targets

GHG Emissions

For the inaugural year of reporting, Codan has reported its absolute gross GHG emissions, expressed as metric tonnes of CO₂ equivalent and shown in the table below:

Emissions Scope	FY26
Scope 1	487.08 tCO ₂ -e
Scope 2 (location based)	1,116.06 tCO ₂ -e
Total emissions (location based)	1,603.14 tCO₂-e

The emissions reported by Codan in this FY26 Sustainability Report are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004). The GHG Protocol (2004) 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).

Operational Boundary

Codan's FY26 GHG emissions inventory has been prepared applying the operational control approach as per the GHG Protocol (2004). Under the operational control approach, Codan accounts 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'. This approach was selected to best represent Codan's business model.

Calculation Methodologies

Scope 1 GHG emissions represent direct emissions from sources owned or controlled by the Company, comprising fleet fuel combustion, stationary fuel combustion and fugitive emissions (i.e., refrigerants).

Scope 2 GHG emissions refer to the indirect GHG emissions from the electricity purchased from the grid by the Company.

The table below outlines the emission sources included within Codan's Scope 1 and Scope 2 emissions boundary.

Scope	Emission Source	Boundary Level
1	Combustion of fuels by fleet	Included and quantified
1	Combustion of stationary fuels	Included and quantified
1	Fugitive Emissions (Refrigerants)	Included and quantified
2	Purchased electricity	Included and quantified

Fleet fuel emissions were calculated using fuel consumption or distance data, depending on data availability. A fuel-based method was applied for Australia and the United States, and a distance-based method for the United Kingdom, using jurisdiction-specific factors (NGAF 2025, US EPA 2025 and UK Government 2025). Where consumption data was unavailable, estimates were derived from spend and average fuel prices.

Stationary fuel (LPG and natural gas) emissions were calculated using a site-consumption method based on fuel quantities from invoices, applying jurisdiction-specific emission factors (NGAF 2025, UK Government 2025, US EPA 2025). Where full year data was unavailable, consumption was extrapolated using a daily average; where consumption data was unavailable (e.g. certain LPG invoices), estimates were derived from spend and average fuel prices.

Fugitive emissions (refrigerants) were calculated using a refrigerant-specific method, with GWP values sourced from IPCC AR6 (2020). Where top-up data was unavailable, emissions were estimated using equipment-based leakage rates applied to total refrigerant volumes (NGAF 2025).

Location-based electricity emissions were calculated using consumption data (kWh) from retailer invoices and jurisdiction-specific emission

factors (NGAF 2025, UK Government 2025, US EPA 2025, Dubai Electricity & Water 2024, Environment and Climate Change Canada 2025, Brazil Energy Research Office, 2024, SEFR 2026, Government of India Ministry of Power Central Electricity Authority 2025, MY Energy Stats 2024, Taiwan Energy Administration Ministry of Economic Affairs 2022, RENE 2024). Where full-year data was unavailable, consumption was extrapolated to the reporting period.

For FY26, Codan purchased renewable energy for two facilities, one in the UK and one in Denmark, as part of its broader efforts to reduce greenhouse gas emissions.

Other Climate-related Metrics

Assessment of Vulnerability to Climate-related Risks

The table below discloses the amount and percentage of Codan's principal business activities assessed as vulnerable to climate-related physical and transition risks. Codan assessed vulnerability by reference to its three principal business activities: Minelab, DTC and Zetron. The percentage disclosed is calculated by reference to the number of those principal business activities assessed.

Metric Category	Basis of Assessment	Amount	Commentary
Business activities vulnerable to climate-related physical risks	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Physical risk exposure exists primarily through upstream supply chains, contract manufacturing and distribution channels, including component manufacturing and contract manufacturing locations. Codan has existing controls and mitigation measures to address the identified vulnerability.
Business activities vulnerable to climate-related transition risks	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Codan has direct and indirect exposure to transition risks, including emerging carbon pricing, reporting, procurement and sustainable product regulation. Existing compliance capability, product development capability and supply chain management processes mitigate this vulnerability.
Business activities aligned with climate-related opportunities	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Codan identified potential incremental opportunities, but none were assessed as climate-related opportunities that could reasonably be expected to affect Codan's prospects in FY26.

SUSTAINABILITY REPORT

Remuneration

No climate-related considerations were factored in for Codan. For further details, see 'Performance Metrics' in the Governance section of this Report.

Capital Deployment and Internal Carbon Prices

At this stage, Codan has not incorporated an internal carbon price into its scenario analysis or decision-making processes and has not allocated capital specifically to manage CRROs.

Climate-related Targets

At this stage, Codan has not established a group-wide transition plan or emissions reduction targets. Codan will continue to monitor its exposure to CRROs and will keep the appropriateness of a group-wide transition plan and targets under review, including as regulatory expectations, data quality and commercial considerations evolve.

At a business unit level, DTC UK has implemented a Carbon Reduction Plan (**CRP**) to meet applicable stakeholder and regulatory expectations. Information about the climate-related targets in the CRP is set out below.

DTC UK Carbon Reduction Plan (CRP) Published September 2025		
Part of entity to which the targets apply	Domo Tactical Communications (DTC) Ltd (Company registration number 01456922), a controlled entity of Codan	
Applicable jurisdiction	UK	
Overall target	• Achieve net zero emissions by 2040.	This is a net target.
Near-term targets	• Reduce Scope 1 and 2 emissions to zero by 2030.	This is a gross target.
	• Reduce Scope 3 emissions by at least 42% by 2030.	This is a gross target.
Long-term targets	• Neutralise any residual emissions using verified carbon offsets.	
Baseline year	DTC UK's baseline year (1 July 2022–30 June 2023) recorded total GHG emissions of 3,727.2 tCO ₂ -e and a carbon intensity of 86.44 tCO ₂ -e per million USD of revenue (market-based).	
Metric used to set targets	The quantitative targets are absolute i.e. targets are defined as a change in the total amount of emissions, measured in tonnes CO ₂ e in accordance with Science Based Targets Initiative for Scope 1, 2 & 3 emissions.	
Objective of targets	The CRP aims to reduce emissions in line with science-based targets, i.e. targets aligned with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures.	
Relevant jurisdictional commitments	The targets are informed by the UK commitment to achieve net zero emissions by 2050, as legislated in the UK Climate Change Act 2008. This legislation aligns with the goals of the Paris Agreement. Suppliers bidding for major UK government contracts must submit a CRP detailing emissions reduction measures that align with the UK's legislated target.	

The DTC UK CRP is reviewed and updated annually at business unit level to reflect any changes in organisational structure and to take account of progress to reduce emissions. DTC resources, and plans to continue resourcing, implementation and monitoring of the CRP through business-unit management oversight, ordinary business-unit operating expenditure and support from an external consultant engaged to assist with the annual carbon footprint analysis and review of progress against the targets. Progress is monitored annually using total GHG emissions measured in tCO₂e, with performance assessed by reference to the percentage change in emissions against the baseline year of 1 July 2022 to 30 June 2023. No remuneration or incentives are linked to the CRP. The targets and the methodology for setting the targets has not been validated by a third party.

DTC UK will reduce emissions in line with the latest science-based targets (**SBTs**). SBTs are greenhouse gas reduction goals set by organisations. They are defined as 'science-based' when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. To comply with the SBTs, DTC UK will need to reduce its absolute emissions by 90%

from the baseline year. The remaining 10% may be offset with carbon credits. DTC UK will assess if the use of carbon credits at such time as it may be required. Currently DTC UK does not use carbon credits.

DTC also monitors carbon intensity, measured as tCO₂e per million USD of revenue using market-based emissions, as a supplementary metric because the rapid growth of the business may make absolute emissions reductions less decision-useful in the near term. As set out above, the baseline footprint was 3,727.2 tCO₂e, with a carbon intensity of 86.44 tCO₂e per million USD of revenue. For FY24–25, DTC's carbon footprint was 5,030.7 tCO₂e and its carbon intensity was 51.3 tCO₂e per million USD of revenue. Although DTC's absolute footprint increased due to significant business growth, carbon intensity decreased by 40.6% against the baseline. The CRP targets are reviewed annually when the prior-year carbon footprint analysis is completed. Any revisions to the targets, together with the relevant metrics and an explanation of the revisions, are published in the updated CRP for the relevant financial year. FY26 data was not available at the date of this Report and will be included in future reports.

Directors' declaration

The directors of Codan Limited (**Company**) declare that, in the Directors' opinion, the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its controlled entities for the year ended 30 June 2026 as presented at pages 54 to 83 are in accordance with the *Corporations Act 2001*, including:

- a. complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

- b. containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made on this 19 August 2026 in accordance with a resolution of the Board of Directors pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.



G R C Barclay
Director



Alf Ianniello
Managing Director & CEO

Page references should be read as follows to correct references now that the Sustainability Report has been presented in the context of the Annual Report in its entirety: The Sustainability Report is set out on pages 54 to 83 as opposed to 1 to 30 of the stand-alone Sustainability Report 2026 document.

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent Auditor's Review Report

To the shareholders of Codan Limited

Report on specified Sustainability Disclosures of Codan Limited presented in the Sustainability Report titled "Sustainability Report (Climate Related Disclosures)" prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Codan Limited titled "Sustainability Report" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)	Locations in Sustainability Report
Governance disclosures	Paragraph 6	Section "Governance", pages 8 to 10
Strategy (risk and opportunities) disclosures	Subparagraphs 9(a), 10(a) and 10(b)	Section "Strategy", subsection "Climate-related risks and opportunities", pages 11 – 24
Scope 1 greenhouse gas emissions	Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)	Section "Metrics and Targets" subsection GHG emissions" including the emissions calculation methodology described in the accompanying notes to the table on pages 27 - 29
Scope 2 greenhouse gas emissions (location-based)		Section "Metrics and Targets" subsection GHG emissions" including the emissions calculation methodology described in the accompanying notes to the table on pages 27 - 29

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The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's Responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of *Codan Limited* are responsible for the other information. The other information comprises the financial and non-financial information included in Codan Limited's Annual Report including the Financial Report, Remuneration Report and Sustainability Report for the year ended 30 June 2026, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REVIEW REPORT



Responsibilities for the specified Sustainability Disclosures

The Directors of Codan Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with management to understand the governance structure and reporting process;
- Enquired with management to understand the process for developing the climate governance, strategy and metrics disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks and basis of preparation documents;
- Reviewed Codan Limited's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled specified Sustainability Disclosures to underlying information.

KPMG

Julie Cleary

Partner

Sydney

19 August 2026

This is the original version of the Independent Auditor's Review Report signed by KPMG on 19 August 2026. Page references should be read as follows to correct references now that the Sustainability Report has been presented in the context of the Annual Report in its entirety: 1) Section Governance is set out on pages 61 to 63 as opposed to 8 to 10 outlined above; 2) Section 'Strategy', subsection 'Climate-related risks and opportunities' is set out on pages 64 to 77 as opposed to 11 to 24 outlined above; 3) Section 'Metrics and Targets' subsection 'GHG emissions' including the emissions calculation methodology described in the accompanying notes to the table on pages 80 to 82 as opposed to pages 27 – 29 as outlined above.

Board of Directors



GRAEME BARCLAY

MAICD, F Fin, CA, MA (Hons)

Chair, Independent Non-Executive Director

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

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 Chair or Group CEO roles at BAI Communications, Transit Wireless LLC (New York), Nextgen Networks, Metronode data centres, 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

DC to Equinix for \$1.04 billion in 2018. In his role as Chair 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.

In addition, included in his prior board appointments are: Aussie Broadband Limited (ASX:ABB, appointed April 2025 and resigned February 2026), Arqiva Limited (institutionally owned UK telecommunications infrastructure group), Chair of the main board and of the ARC for Nextgen group (Ontario Teachers' Pension Plan majority owned fibre network and data centre owner), NED and member of the ARC of Axicom Group (institutionally owned mobile tower business), and from September 2018 until August 2022, Chair of Uniti Group Limited (ASX:UWL).

Graeme is currently Executive Chair of GreenSquare DC, an institutionally owned data centre owner and operator.

Graeme holds an honours economics degree, is a Chartered Accountant and a Fellow of CISI.



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 is a graduate of the Australian Institute of Company Directors.



HEITH MACKAY-CRUISE

BA (Econ), FAICD

*Independent Non-Executive Director,
Chair of People, Remuneration and Nomination Committee*

Heith was appointed to the Board in March 2023 and has been involved in the media, education and technology sectors over the past 30 years. Heith is currently a National Board Director of the Australian Institute of Company Directors.

Heith was a non-executive Chair of Southern Cross Media Group Limited (ASX:SXL) from October 2020 to June 2026 and Straker (ASX:STG) from July 2022 to July 2024. Heith is a past Chair of 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, FAICDLife
Independent Non-Executive Director

Kathy was appointed to the board of Codan in November 2015. She has had a long and distinguished executive career and over 27 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. 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, FAICD
Independent Non-Executive Director, Chair of Audit and Risk Committee

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 has significant experience driving organic and inorganic growth, managing customer relationships, and providing leadership to large globally distributed teams. Prior to joining IBM, Sarah was a Consulting Managing Partner at PwC, and Audit and Business Consulting Partner at Arthur Andersen.

Sarah has been a non-executive Director of Bravura Solutions Ltd (ASX:BVS) since September 2023, Aussie Broadband Limited (ASX:ABB) since July 2025, and GrainCorp Ltd since November 2025. She was previously Deputy Chair and non-executive Director at Austal Ltd (ASX: ASB), and non-executive Director at Emeco Holdings Ltd (ASX: EHL).

Sarah is a Chartered Accountant (Fellow), a Fellow of the Australian Institute of Company Directors, is currently completing a Graduate Certificate in Cybersecurity Governance and Risk Management at RMIT, and is a mentor for the Minerva Network.



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.

Effective from 20 August 2026, Michael Barton retired as Joint Company Secretary and Daniel Widera became Codan's sole Company Secretary.



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

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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 is a graduate of the Australian Institute of Company Directors.



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BA (Acc), FCA
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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 the 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 Resources 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 2026

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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 2026 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 88 to 89.

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.

Effective from 20 August 2026, Michael Barton retired as Joint Company Secretary and Daniel Widera became Codan's sole Company Secretary.

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:

Director	Board meetings		Audit and Risk Committee meetings		People, Remuneration and Nomination Committee meetings	
	A	B	A	B	A	B
Mr A Ianniello	14	14				
Mr G R C Barclay	14	14	4	4	4	4
Ms K J Gramp	14	14	4	4	4	4
Ms S Adam-Gedge	14	14	4	4		
Mr H Mackay-Cruise	14	14			4	4

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 People, Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Codan Group remuneration report for year ended 30 June 2026.

FY26 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 (**KMP**) and the entire executive leadership team should be motivated to act as long-term owners of the Company and that their remuneration incentives are directly aligned with shareholder interests. The FY26 remuneration structure for Executive KMP is therefore designed to achieve this alignment, with the key elements as follows:

- Short Term Incentives (**STI**) for Executive KMP is based on a scorecard approach including targets for profitability and free cash flow 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 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 125% of fixed remuneration (increased from 100% in FY25) applies to all STI payments to Executive KMP;
- Long Term Incentives (**LTI**) have a 3-year performance period and provide the right to earn shares up to 73% for the CEO and 50% for Executive KMP of their fixed salaries. The LTI uses two financial metrics: a) EPS growth requiring compound annual growth of between 11% at threshold and 16% at maximum with a 67% weighting; and b) Relative Total Shareholder Return (**RTSR**) performance, with a 33% weighting, requires performance above the 50th percentile at threshold and above the 75th percentile at maximum, compared to peer group performance; and
- A Superior Performance Incentive Rights (**SPIR**) plan provides the opportunity to earn additional shares up to a maximum of 73% for the CEO and 100% for Executive KMP of their fixed salaries if compound annual EPS growth of between 17% and 24% is achieved over a 3-year measurement period. We believe this additional incentive motivates our leadership team to deliver exceptional long-term growth for shareholders.

This structure provided our Executive KMP with the ability to influence the outcome of their STI performance 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, strongly 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.

FY26 Remuneration Structure and Outcomes

Executive KMP had their fixed remuneration reviewed during the year with increases made in line with relevant market conditions.

Mr Ianniello's total remuneration package as CEO was reviewed and adjusted effective from 1 July 2025, following consideration of relevant external information. Mr Ianniello's fixed remuneration had not been adjusted since he commenced as CEO in January 2022. This external information included a review of peer group companies with a market capitalisation in the range of 75% and 150% compared to Codan's market capitalisation, using a 30-day VWAP as of 31 July 2025. The primary change to the CEO's remuneration was an increase to his fixed remuneration from \$1,017,161 to \$1,375,000 (inclusive of superannuation) to ensure his remuneration was competitive compared to the peer group.

Codan's performance in FY26 was outstanding, achieving significant growth over the prior year with revenues increasing by 30% to \$875 million, EBIT increasing by 67% to \$244 million, and NPAT increasing 69% to \$175 million. This improved performance allowed dividends per share to also be increased by 70% compared to FY25. This improved financial performance has resulted in increased short-term incentive outcomes for our Executive KMP in FY26. The CEO has elected to take 60% of his FY26 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 FY24 LTI plan had two performance measures, measured over a three-year period ending 30 June 2026, being Earnings Per Share (**EPS**) and RTSR. The EPS of 96.5 cents achieved in FY26 exceeded the maximum required under the plan of 52.4 cents. For the maximum rights to vest under the RTSR metric the company had to be at the 75th or higher percentile of the peer group and the company was measured to be at the 100th percentile. Therefore, the maximum number of rights under the FY24 LTI plan will vest into shares. The rights from the FY24 LTI plan were issued at a share price of \$7.59 and Codan closed on 30 June 2026 with a share price of \$44.14, therefore the maximum vesting of the FY24 LTI plan was aligned with the interests of shareholders.

DIRECTORS' REPORT (continued)**REMUNERATION REPORT – AUDITED (continued)**

FY26 Remuneration Structure and Outcomes (continued)

- The FY25 and FY26 LTI plans also have the EPS and RTSR performance measures and are measured over a three-year period. The FY25 and FY26 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 FY27 and FY28, respectively. To provide some guidance to shareholders on how these plans are currently tracking, it is worth noting that in FY25 EPS growth of 27% was achieved and Codan's share price increased from \$12.03 to \$20.11, and in FY26 EPS growth of 69% was achieved and Codan's share price increased further to \$44.14.

Non-Executive Director Remuneration

During the year the People, Remuneration and Nomination Committee (**PRNC**) reviewed the remuneration of the Board by engaging with independent external advisors using similar comparative companies. These changes differentiate effort for Committee representation and the respective leadership roles, which came into effect on 1st January 2026.

FY27 Remuneration Structure

As we move into FY27 our intent is to ensure we have a reward structure that a) is competitive in each geography that our Executives reside and operate, noting the global span of Codan's businesses; and b) will incentivise and motivate Executives to deliver sustainably superior returns for our shareholders over the medium to long term. During FY27 we will continue to consider further changes to the way our Executives are incentivised to remain employed by Codan and motivated to deliver exceptional outcomes for our shareholders.

Heith Mackay-Cruise

Chair

People, 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 2026 and gives detailed information on the remuneration arrangements of 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 KMP covered by the FY26 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

As the Group has grown and the executive management team has evolved, the company has assessed the application of AASB 124 Related Party Disclosures to determine the Executive KMP. The evolution of the executive management structure in recent years has included the appointment of a Chief Operating Officer, Chief Human Resources Officer and Executive General Manager, Strategy, Corporate Development & M&A, each with responsibility for enterprise-wide functions.

Having regard to the current governance framework and executive responsibilities, the Company concluded that the Chief Executive Officer and Chief Financial Officer are the executives who have the authority and responsibility for planning, directing and controlling the activities of the Group for the purposes of AASB 124 Related Party Disclosures.

This reassessment affects the remuneration disclosures in this report only and does not alter the responsibilities, contribution or remuneration arrangements of the broader executive leadership team.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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. This is increasingly important as Codan grows, both organically and through acquisition.

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 Executive KMP, 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 we may also provide benefits to support the global mobilisation of our Executive KMP.

Our Executive KMP remuneration framework has two variable components, being an STI plan and an LTI plan.

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. The LTI plan also includes a SPIR to motivate and reward Executive KMP to achieve exceptional long-term earnings growth.

The People, Remuneration and Nomination Committee reports to the Codan Board and has responsibility for the structure of remuneration paid to Executive KMP. This Committee references trends in comparative companies 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 in FY26.

FY26 Executive KMP Remuneration Structure and Outcomes

CEO Remuneration

Mr Ianniello's total remuneration package has been reviewed and adjusted effective from 1 July 2025, following consideration of relevant external information. Mr Ianniello's fixed remuneration had not been adjusted since he commenced as CEO in January 2022. This external information included a review of peer group companies with a market capitalisation in the 75% to 150% range compared to Codan's market capitalisation, using a 30-day VWAP as of 31 July 2025.

Mr Ianniello's total remuneration package, effective from 1 July 2025, has been adjusted to:

- fixed remuneration of \$1,375,000 (inclusive of superannuation);
- a short-term cash incentive of \$859,375 assuming Target performance metrics are achieved, representing 62.5% (increased from 50%) of fixed remuneration, and an opportunity to receive a maximum short-term incentive up to 125% (increased from 100%) of fixed remuneration of \$1,718,750. The short-term incentive has a requirement that Mr Ianniello must take a minimum of 60% of his annual STI in the form of Performance Rights, this minimum was previously set at 50%;
- a long-term incentive of between \$500,000 and \$1,000,000 being threshold and maximum depending on achievement of performance metrics over the three-year measurement period, through the issue of the Performance Rights under the LTI plan;
- for the FY26-FY28 period a long-term superior performance incentive, being the SPI, is in place to reward performance that is achieved above the LTI maximum EPS growth rate of 16%. The SPI performance range for EPS Compound Annual Growth Rate (CAGR) over the three-year measurement period FY26-FY28 has also been increased, now requiring EPS CAGR of between 17% and 24%. The approved SPI for FY26-28 would result in Mr Ianniello earning up to \$1,000,000 of Performance Rights if a three-year EPS CAGR of 24% or higher is achieved.

Short Term Incentive Plan change

During FY26 the STI plan for Executive KMP was reviewed and the percentage of fixed salary applicable to the STI was increased from 50% to 62.5% and the maximum STI available is capped at 125% of fixed salary. The increase made during FY26 to the STI plan payouts at Target and at Maximum was designed to further incentivise Executive KMP and the wider executive team to deliver superior growth and trading performance in FY26 and to ensure that Codan's STI remuneration is in line with comparable companies across the multiple geographies where Codan operates.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

Other Executive KMP Remuneration

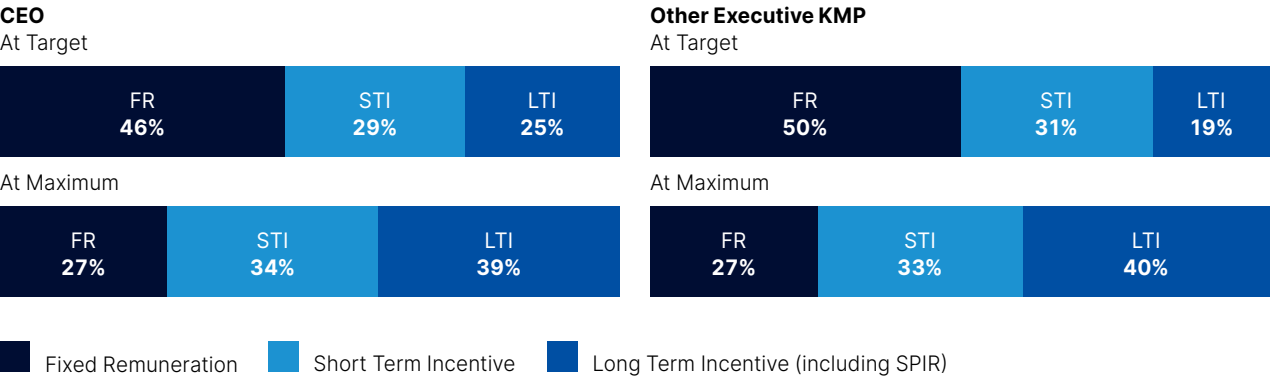
During FY26 the fixed salaries of Executive KMP (other than the CEO noted above) were reviewed and increases were in line with the company's general salary increase of 3.5% effective 1 January 2026.

Summary of KMP Remuneration Structure for FY26

Executive KMP remuneration for FY26 is:

- Performance based:
 - The remuneration for the CEO is 54% performance based at target and 73% performance based at maximum;
 - The remuneration for other Executive KMP is 50% performance-based pay at target and 73% performance based at maximum.
- and is equity focussed:
 - at target 42% of the CEO's total remuneration is paid in equity, at maximum 60% of the CEO's total remuneration is paid in equity;
 - at target 19% of other Executive KMP's total remuneration is paid in equity, at maximum 40% 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.

The chart below sets out the percentage of fixed remuneration, short term and long term performance-linked at-risk remuneration for FY26.



CODAN LIMITED AND ITS CONTROLLED ENTITIES

FY26 Short Term Incentive

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

The framework for the FY26 STI plan is as follows:

Feature	Description												
Purpose:	Motivate and reward Executive KMP for contributing to the delivery of annual business performance.												
Value:	<table><tr><th>Target</th><th>Maximum</th></tr><tr><td>CEO</td><td>62.5% of fixed pay</td><td>CEO</td><td>125% of fixed pay</td></tr><tr><td>Other Executive KMP</td><td>62.5% of fixed pay</td><td>Other Executive KMP</td><td>125% of fixed pay</td></tr></table> The CEO has lower STI and higher LTI than other Executive KMP to provide for better long-term alignment with shareholders.	Target	Maximum	CEO	62.5% of fixed pay	CEO	125% of fixed pay	Other Executive KMP	62.5% of fixed pay	Other Executive KMP	125% of fixed pay		
Target	Maximum												
CEO	62.5% of fixed pay	CEO	125% of fixed pay										
Other Executive KMP	62.5% of fixed pay	Other Executive KMP	125% of fixed pay										
Eligibility:	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 60% of any STI for the CEO which will be paid in equity. The CEO has the option to increase this to have all of the 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 performance rights to be issued under the LTI plan, with this share price approved by shareholders at the 2025 Annual General Meeting. The price used for the FY26 STI that is to be paid in shares is \$29.4561 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.												
Performance Objectives (Group as applicable):	<table><tr><th>Measure</th><th>Rationale</th><th>Measurement</th></tr><tr><td>Profitability</td><td>Financial metric that measures the performance of the business</td><td>Group EBIT Segment profit</td></tr><tr><td>Cash flow</td><td>Financial metric focussed on cash generation</td><td>Operating and investing cash flows</td></tr><tr><td>Sustainability and Safety</td><td>Codan is committed to providing a safe work environment and operating in a sustainable manner</td><td>Measures include performance against agreed operational objectives</td></tr></table>	Measure	Rationale	Measurement	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 cash flows	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
Measure	Rationale	Measurement											
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 cash flows											
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 FY26 against which their performance has been assessed. The weighting of financial performance objectives (which includes growth in profitability and cash flow) for each Executive KMP was at least 80% of their STI for FY26.												
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).												

DIRECTORS' REPORT (continued)**REMUNERATION REPORT – AUDITED (continued)**

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

FY26 Short Term Incentive (continued)

Feature	Description
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 62.5% of fixed pay for Executive KMP. Whilst the overall STI outcome is capped at 2x on-target, individual metrics are capped at 2.5x on-target.

FY26 Short Term Incentive Targets and Outcomes

Codan achieved strong financial performance in FY26. Revenues increased from \$674 million to \$875 million (growth of 30%), EBIT increased 67% to \$244 million and Net Profit after Tax increased from \$104 million to \$175 million (growth of 69%). Strong growth was achieved by both the Communications and Metal Detection businesses. Our cash generation was strong and we ended the year in a net cash position. 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 FY26. The CEO has elected to take 60% of his FY26 STI in equity.

The FY26 STI performance measures for our Executive KMP are disclosed below:

CEO & CFO	Weighting	Target	Actual Result	Performance	STI Outcome
Group EBIT	65%	\$190 million	\$244 million	Achieved	250%
Cash Generation	20%	\$77 million	\$180 million	Achieved	250%
Environmental, Social, Governance and Safety	15%	Safety metrics and ESG objectives	All metrics were achieved	Achieved	100%
	100%				200%

Codan's group EBIT increased from \$146 million in FY25 to \$244 million in FY26 an increase of 67%. There was no material impact on the financial results in FY26 from acquisitions or unbudgeted acquisition and integration costs incurred and therefore there was no adjustments to targets or actual results to determine the outcome STI calculations. Cash generation for the Codan group is measured by considering operating and investing activities (excluding acquisitions of subsidiaries) which increased from \$77 million in FY25 to \$180 million in FY26 an increase of 134% over the pcp. The Environmental, Social, Governance and Safety objective related to the mandatory reporting of sustainability and climate related matters and maintaining a safe work environment for our employees and experiencing no major injuries.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

The following table provides the FY26 STI outcomes for Executive KMP:

KMP	STI at Target \$	STI at Maximum \$	STI Achieved \$	STI as a % of Maximum	STI % Not Achieved
A Ianniello	859,375	1,718,750	1,718,750	100%	0%
M Barton	280,256	560,513	560,513	100%	0%

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 FY26 the Board has not exercised any discretion to increase the quantum of the STI outcomes.

FY26 Long Term Incentive

The LTI incentive structure is focused 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 framework for the FY26 LTI plan, is as follows:

Feature	Description
Purpose:	The purpose of the LTI plan is to focus Executive KMP on the creation of sustainable long term shareholder value. It rewards Executive KMP for delivering long term earnings performance above a minimum threshold and for creating value for shareholders with shareholder returns at or above the 50th percentile of a selected peer group of ASX listed companies. It encourages Executive KMP to remain employed with Codan and aligns their interests with those of shareholders.
Face value (excluding SPIR):	Threshold CEO 36% of fixed pay Other Executive KMP 25% of fixed pay Target CEO 55% of fixed pay Other Executive KMP 38% of fixed pay Maximum CEO 73% 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 Executive KMP 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 2028
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 2025 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 FY25 which was \$29.4561.

DIRECTORS' REPORT (continued)**REMUNERATION REPORT – AUDITED (continued)**

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

FY26 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 KMP 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 (FY25) is compared with the EPS achieved in the measurement year, being Year 3 (FY28). To set the FY28 target the Board has used the EPS performance for FY25 of 57.1 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 11% and 16% to the baseline EPS. These growth rates were increased from the FY25 LTI plan which used 8% and 13% respectively.																
	This is represented in the below table:																
	<table><tr><th></th><th>Threshold</th><th>Target</th><th>Maximum</th></tr><tr><td>Base EPS (FY25) (cents)</td><td>57.1</td><td>57.1</td><td>57.1</td></tr><tr><td>Compound annual growth rate</td><td>11%</td><td>13.5%</td><td>16%</td></tr><tr><td>FY28 (measurement year) (cents)</td><td>78.1</td><td>83.6</td><td>89.1</td></tr></table>		Threshold	Target	Maximum	Base EPS (FY25) (cents)	57.1	57.1	57.1	Compound annual growth rate	11%	13.5%	16%	FY28 (measurement year) (cents)	78.1	83.6	89.1
	Threshold	Target	Maximum														
Base EPS (FY25) (cents)	57.1	57.1	57.1														
Compound annual growth rate	11%	13.5%	16%														
FY28 (measurement year) (cents)	78.1	83.6	89.1														
	The vesting schedule of the rights subject to the EPS growth hurdle is as follows:																
	<table><tr><th>EPS annual compounding growth</th><th>Percentage of rights vested</th></tr><tr><td>Less than Threshold</td><td>0%</td></tr><tr><td>Threshold</td><td>50% of maximum</td></tr><tr><td>More than Threshold less than Maximum</td><td>Pro-rated from 50% to 100%</td></tr><tr><td>At or greater than Maximum</td><td>100% of maximum</td></tr></table>	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						
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: <table><tr><th>RTSR</th><th>Percentage of rights vesting</th></tr><tr><td>Less than 50% Threshold percentile</td><td>0%</td></tr><tr><td>Threshold is achieved at the 50th percentile</td><td>50% of maximum</td></tr><tr><td>More than Threshold less than 75% Maximum percentile</td><td>Pro-rated from 50% to 100%</td></tr><tr><td>Maximum is achieved at the 75th percentile</td><td>100% of maximum</td></tr></table> For the FY26 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 2025, 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 delistings. The Board retains full discretion to determine, amend and calculate the vesting outcomes.	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												
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																						
Superior Performance Incentive Rights:	The 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 16% EPS CAGR noted above. The structure of the SPIR is that for every +1% EPS CAGR at and above 17% over the three-year measurement period Executive KMP will be granted one eighth of the SPIR value, up to the maximum for the achievement of 24% EPS CAGR. The maximum SPIR value for the CEO is 73% of fixed salary and for other Executive KMP it is equal to their fixed salary. This is represented in the below table: <table><tr><th></th><th>Threshold</th><th>Maximum</th></tr><tr><td>Base EPS (FY25) (cents)</td><td>57.1</td><td>57.1</td></tr><tr><td>Compound annual growth rate</td><td>17%</td><td>24%</td></tr><tr><td>FY27 (measurement year) (cents)</td><td>91.5</td><td>108.9</td></tr></table> The vesting schedule of the SPIR subject to these EPS growth hurdles is as follows: <table><tr><th>EPS annual compounding growth</th><th>Percentage of rights vested</th></tr><tr><td>Less than 17%</td><td>0%</td></tr><tr><td>At 17%</td><td>12.5% of maximum</td></tr><tr><td>More than 17% less than 24%</td><td>Pro-rated from 12.5% to 100%</td></tr><tr><td>At or greater than 24%</td><td>100% of maximum</td></tr></table> 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 FY26 LTI plan.		Threshold	Maximum	Base EPS (FY25) (cents)	57.1	57.1	Compound annual growth rate	17%	24%	FY27 (measurement year) (cents)	91.5	108.9	EPS annual compounding growth	Percentage of rights vested	Less than 17%	0%	At 17%	12.5% of maximum	More than 17% less than 24%	Pro-rated from 12.5% to 100%	At or greater than 24%	100% of maximum
	Threshold	Maximum																					
Base EPS (FY25) (cents)	57.1	57.1																					
Compound annual growth rate	17%	24%																					
FY27 (measurement year) (cents)	91.5	108.9																					
EPS annual compounding growth	Percentage of rights vested																						
Less than 17%	0%																						
At 17%	12.5% of maximum																						
More than 17% less than 24%	Pro-rated from 12.5% to 100%																						
At or greater than 24%	100% of maximum																						
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. 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.																						

DIRECTORS' REPORT (continued)**REMUNERATION REPORT – AUDITED (continued)**

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

FY26 Long Term Incentive (continued)

Feature	Description
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.

An external benchmarking exercise was completed during FY26 and the details of each NED's total remuneration package (including superannuation) that applied as at 30 June 2026 are set out below. These fees include Committee chair fees of \$30,000 and Committee member fees of \$15,000 per role noting that the Chair of the Board does not receive any additional committee fees.

Director	Base Fee	Chair of Committee Fees	Member of Committee Fees	Total Fees
Graeme Barclay (Chair)	\$367,500			\$367,500
Kathryn Gramp	\$175,000		\$30,000	\$205,000
Sarah Adam-Gedge	\$175,000	\$30,000		\$205,000
Heith Mackay-Cruise	\$175,000	\$30,000		\$205,000

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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 (including accrued leave or other entitlements applicable in the jurisdiction that the Executive KMP is employed) 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*, the following information is presented:

	2026	2025	2024	2023	2022
Revenue (\$000)	\$874,965	\$674,226	\$550,459	\$456,468	\$506,145
Earnings before interest and taxes (\$000)	\$244,078	\$145,972	\$113,927	\$87,964	\$137,402
Profit attributable to shareholders (\$000)	\$175,176	\$103,493	\$81,387	\$67,774	\$100,736
Dividends paid (\$000)	\$64,564	\$44,483	\$36,263	\$43,480	\$53,361
Share price at 30 June	\$44.14	\$20.11	\$12.03	\$8.03	\$6.96
Increase/(Decrease) in share price at 30 June	\$24.03	\$8.08	\$4.00	\$1.07	(\$11.07)
Earnings per share, fully diluted	95.9c	56.8c	44.8c	37.4c	55.6c

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:

		Salary and Fees*	Short-term incentives	Post-employment and superannuation contributions
Directors	Year	\$	\$	\$
Non-Executive				
Mr G Barclay	2026	276,170	–	33,140
	2025	224,215	–	25,785
Ms K Gramp	2026	167,741	–	20,129
	2025	147,982	–	17,018
Ms S Adam-Gedge	2026	152,066	–	18,248
	2025	125,561	–	14,439
Mr H Mackay-Cruise	2026	152,066	–	18,248
	2025	125,561	–	14,439
Total non-executives' remuneration	2026	748,043	–	89,765
	2025	623,319	–	71,681
Executive Director				
Mr A Ianniello	2026	1,410,890	1,718,750	30,000
	2025	1,017,616	473,946	28,750
Total directors' remuneration	2026	2,158,933	1,718,750	119,765
	2025	1,640,935	473,946	100,431

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

		Salary and Fees	Short-term incentives	Post-employment and superannuation contributions
Executive officers	Year	\$	\$	\$
Mr M Barton (Chief Financial Officer and Company Secretary)	2026	400,740	560,513	30,000
	2025	391,663	402,814	28,750
Total Executive KMP remuneration	2026	400,740	560,513	30,000
	2025	391,663	402,814	28,750

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.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Other long-term \$	Termination benefits \$	Performance rights \$	Total \$	Proportion of remuneration performance related %
-	-	-	309,310	-
-	-	-	250,000	-
-	-	-	187,870	-
-	-	-	165,000	-
-	-	-	170,314	-
-	-	-	140,000	-
-	-	-	170,314	-
-	-	-	140,000	-
-	-	-	837,808	-
-	-	-	695,000	-
64,828	-	1,307,431	4,531,899	66.8
24,960	-	627,354	2,172,626	50.7
64,828	-	1,307,431	5,369,707	-
24,960	-	627,354	2,867,626	-
Other long-term \$	Termination benefits \$	Performance rights \$	Total \$	Proportion of remuneration performance related %
19,006	-	492,715	1,502,974	70.1
17,876	-	68,317	909,420	51.8
19,006	-	492,715	1,502,974	-
17,876	-	68,317	909,420	-

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 2025	Exercised performance rights	Exercised Director share rights	Other changes*	Held at 30 June 2026
Directors					
Mr G Barclay	126,144	–	2,283	–	128,427
Mr A Ianniello	102,396	–	–	(22,861)	79,535
Ms K Gramp	31,290	–	1,004	–	32,294
Ms S Adam-Gedge	18,583	–	1,065	–	19,648
Mr H Mackay-Cruise	23,687	–	2,131	1,200	27,018
Executive KMP					
Mr M Barton	117,272	–	–	(40,082)	77,190

*Other changes include shares that were purchased or sold on market or those shares issued in relation to the equity component of the FY25 STI plan.

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 \$29.4561 in FY26 which was the volume weighted average of the Company's share price in the 5 days after the release of the annual results for FY25.

The movement in non-executive director share rights in the year ended 30 June 2026 was as follows:

	Held at 1 July 2025	Issued share rights	Exercised share rights	Other changes*	Held at 30 June 2026
Directors					
Mr G Barclay	–	2,283	(2,283)	–	–
Ms K Gramp	–	1,004	(1,004)	–	–
Ms S Adam-Gedge	–	1,065	(1,065)	–	–
Mr H Mackay-Cruise	–	2,131	(2,131)	–	–

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
Director						
Mr A Ianniello	67,896	28 October 2025	27.85	–	30 June 2028	–
Executive KMP						
Mr M Barton	22,833	18 March 2026	28.83	–	30 June 2028	–

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Details of vesting profiles of performance rights granted to Executive KMP as at 30 June 2026 are detailed below:

	Performance rights granted		Percentage vested in year	Percentage forfeited in year	Financial years in which shares will be issued if vesting achieved
	Number	Date			
Director					
Mr A Ianniello	40,714	25 November 2022	0	100	2026
	99,809	25 October 2023	–	–	2027
	134,385	8 November 2024	–	–	2028
	67,896	28 October 2025	–	–	2029
Executive KMP					
Mr M Barton	25,899	17 February 2023	0	100	2026
	25,391	25 January 2024	–	–	2027
	43,248	23 June 2025	–	–	2028
	22,833	18 March 2026	–	–	2029

Performance rights issued in financial year 2026

The Company issued 67,896 performance rights in relation to the FY26 LTI and SPIR plans to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average \$29.00, based on the Black-Scholes formula. The model inputs were the share price of \$34.30, no exercise price, expected volatility 37.6%, dividend yield 0.8%, 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 \$25.50, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2028, volatility for each peer, historical returns for each peer and a vesting schedule applicable to the Chief Executive Officer.

The Company issued 22,833 performance rights to other Executive KMP in FY26. For the EPS growth performance hurdle, the fair value of the rights was on average \$29.26, based on the Black-Scholes Formula. The model inputs were the share price of \$34.81, no exercise price, expected volatility 34.6%, dividend yield 1.4%, a term of three years and a risk-free rate of 5.0%. For the RTSR performance hurdle, the fair value of the rights was on average \$27.96, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2028, volatility for each peer, historical returns for each peer and a 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 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 for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and a vesting schedule applicable to the Chief Executive Officer.

The Company issued 43,248 performance rights in June 2025 to other Executive KMP. For the EPS growth performance hurdle, the fair value of the rights was on average \$16.98, 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 \$14.92, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2027, volatility for each peer, historical returns for each peer and a 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 for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and a vesting schedule applicable to the Chief Executive Officer.

The Company issued 25,391 performance rights in February 2024 to other Executive KMP. For the EPS growth performance hurdle, the fair value of the rights was on average \$6.62, 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 \$4.14, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2026, volatility for each peer, historical returns for each peer and a vesting schedule applicable to other Executive KMP.

The maximum number of performance rights vested under the FY24 LTI plan following the end of the three-year performance period on 30 June 2026 as both the EPS and RTSR metrics were achieved. The EPS achieved in FY26 was 96.5 cents, which is above the 52.4 cents required for maximum vesting and the company achieved a percentile rating of 100% against the peer group for RTSR which is above the 75% percentile requirement for maximum vesting.

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 2025	Issued	Exercised	Lapsed	Held at 30 June 2026
Directors					
Mr A Ianniello	274,908	67,896	–	(40,714)	302,090
Executive KMP					
Mr M Barton	94,538	22,833	–	(25,899)	91,472

There are no performance rights that have vested as at 30 June 2026 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.

FY26 Highlights:

- Strong Group financial performance, driven by excellent contributions from both segments:
 - Revenue of \$875.0 million, up 30% vs the prior corresponding period ('pcp');
 - Earnings before interest and tax of \$244.1 million, up 67% vs pcp; and
 - Net profit after tax of \$175.2 million, up 69% vs pcp.
- Communications:
 - Revenue of \$506.2 million, up 22% vs pcp, exceeding the 15-20% FY26 target;
 - Segment profit of \$156.0 million, up 45% vs pcp. Profit margin of 31% exceeded the 30% end of FY27 target by 18 months; and
 - Orderbook of \$380 million, up 50% vs 30 June 2025.

- Metal Detection:
 - Revenue of \$362.0 million, up 42% vs pcp; and
 - Segment profit of \$162.4 million, up 65% vs pcp.
- Net cash of \$35.7 million as at 30 June 2026, vs net debt of \$88.2 million as at 31 December 2025, reflecting H2 revenue growth and strong cash collections.
- Earnings per share of 96.5 cents, up 69% vs pcp.
- FY26 fully franked dividend of 48.5 cents (interim 19.5 cents, final 29.0 cents), up 70% vs FY25.

FY26 was another year of outstanding performance for Codan, with Group revenues up 30%, EBIT up 67% and NPAT up 69% versus FY25, and both Group EBIT and NPAT slightly above the guidance provided to the market on 29 April 2026. The Group's performance reflects disciplined execution of our strategic plan, the strength of our differentiated technology and product portfolio, and our ability to capitalise on the long-term structural growth opportunities across our target markets globally.

Our Communications segment continues to deliver high-quality growth, with 22% revenue growth exceeding the top end of our FY26 target range, while Metal Detection delivered excellent performance, driven primarily by strong gold detector demand globally. These results reinforce Codan's strategy of building a stronger, more diversified earnings base while investing for longterm growth.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Dividend

The Company announced a final dividend of 29.0 cents per share, fully franked, bringing the full-year dividend to 48.5 cents. This dividend has a record date of 2 September 2026 and will be paid on 16 September 2026.

Financial performance and other matters

	FY26		FY25	
	\$m	% of revenue	\$m	% of revenue
Revenue				
Communications	506.2	57.9%	413.5	61.3%
Metal Detection	362.0	41.4%	254.8	37.9%
Unallocated	6.8	0.7%	5.9	0.8%
Total revenue	875.0	100%	674.2	100%
Business performance				
EBITDA	288.9	33.0%	183.7	27.2%
EBIT	244.1	27.9%	146.0	21.7%
Interest	(7.9)		(12.1)	
Net profit before tax	236.2	27.0%	133.9	19.9%
Taxation	(61.1)		(30.4)	
Net profit after tax	175.2	20.0%	103.5	15.3%
Statutory earnings per share, basic	96.5 cents		57.1 cents	
Ordinary dividend per share	48.5 cents		28.5 cents	

At the Group level, year-on-year revenue grew 30%, reflecting strong organic growth, driven by ongoing high demand for unmanned radio systems and new gold detector products, as well as a full-year contribution from Kägwerks.

Expenses increased during the year, primarily due to targeted investments in strengthening the Group's go-to-market resources, product launch costs, systems, processes and capability to further scale the organisation, and higher performance-related remuneration.

EBIT and NPAT increased by 67% and 69% respectively. EBIT margin lifted significantly to 27.9% (versus 21.7% in pcg), more than offsetting the increase in expenses and demonstrating continued improvement in operating leverage across the Group.

Balance Sheet

Codan finished FY26 with net cash of \$35.7 million, an improvement of \$123.9 million versus net debt of \$88.2 million in the six months since 31 December 2025. This reflected the accelerated growth in revenue in H2 and strong cash collections. The Group balance sheet is in a very strong position with substantial funding capacity, including a \$250 million total debt facility and a further \$150 million in accordion capacity available subject to bank approval. These facilities provide Codan with financial flexibility to pursue strategic inorganic growth opportunities.

Communications (DTC & Zetron)

Codan 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.

Communications' revenue grew 22% to \$506.2 million, slightly above the top end of the targeted FY26 15% to 20% range, driven primarily by strong demand for unmanned radio systems. Revenue from defence customers represented 58% of total Communications revenue (up from 38% in FY25), underscoring the importance of this vertical to Codan and reflecting the global tailwinds of sovereignty and increased defence spending commitments. Communications' segment profit increased by 45% to \$156.0 million with segment profit margins expanding to 31%, up from 26% in the pcg, reflecting strong revenue growth, favourable product sales mix and operating leverage. Pleasingly, the segment exceeded the achievement of 30% end of FY27 profit margin target by 18 months. Communications' orderbook grew to \$380 million at 30 June 2026 (up 50% versus 30 June 2025 and up 29% versus 31 December 2025), driven by a strong uplift in order intake across both DTC and Zetron.

DTC delivered another exceptional result in FY26, underpinned by defence and unmanned radio systems applications demand across all geographies. Revenue from the high-growth unmanned sector more than doubled to approximately \$215 million versus the pcg. H2 saw continued acceleration in unmanned revenue across both conflict regions and non-conflict defence and security programs in the US and Europe.

DIRECTORS' REPORT (continued)**OPERATING AND FINANCIAL REVIEW (continued)**

Financial performance and other matters (continued)

Product innovation included ongoing development of multi waveform radios, along with enhancements to the existing BluSDRTM radio range, aimed at offering improved network visibility, spectrum monitoring software and alternative antenna solutions. This innovation has led to DTC securing its first orders for the sale of radios into multiple programs of record (**PORs**) for US military initiatives to drive sovereignty.

In July 2026, Codan completed the acquisition of Adaptive Dynamics, a US-based engineering company specialising in the development of anti-jamming and interference mitigation technologies critical to the resilience of tactical communications. The acquisition is expected to meaningfully enhance DTC's US-based technical capabilities in unmanned systems and strengthen its ability to compete for next-generation US and allied defence programs, which require secure communications, electronic warfare resilience and AI-enabled integration in contested electromagnetic environments.

In 1H FY26, Zetron was impacted by a temporary slowdown in federal procurement and contracting cycles in the US. H2 revenue was broadly in line with H1, as guided in the trading update released on 29 April 2026. Positively, order intake strengthened towards the end of H2, resulting in a 25% increase in Zetron's orderbook as at 30 June 2026 versus 30 June 2025. Key wins included a \$19 million contract with one of the largest utilities on the US east coast, \$11 million mission critical services contract with the UK Emergency Services Network, and an \$8 million radio communications modernisation for a major provider of underground transport services in London. Product development activity remains focused on SALUS, which is designed to provide a unified, cloud-based software and services platform for Zetron's command and control applications.

Metal Detection (Minelab)

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

Minelab's full-year results were exceptional, with revenue up 42% to \$362.0 million and segment profit of \$162.4 million, up 65% versus pcp. As guided in the trading update, Minelab delivered a stronger second half, with 15% revenue growth in H2 FY26 compared with H1 FY26, supported by successful product releases. Segment profit margin increased to 45%, up from 39% in the pcp, driven by revenue growth, product mix and operating leverage.

Minelab successfully launched four new products in FY26 in the gold, recreational and countermine markets, including the new flagship GPZ8000 gold detector, the Gold Monster 2000, the Vanquish 60 and the MDS-20. These launches reflect Minelab's global technology leadership across its detection portfolio.

Minelab RoW achieved significant growth in FY26, increasing revenue by 32% versus the pcp. This was driven by strong take-up of the GPZ8000 as well as the Gold Monster 2000, and substantial growth in the Vanquish range.

Resounding user feedback for the GPZ8000 is that it represents a significant advancement in performance, particularly in highly challenging ground conditions. Minelab meaningfully expanded its distribution footprint and retail presence in Australia and North America in FY26, with additional in-store placement across key retail channel partners.

Minelab Africa delivered another outstanding full-year performance, with revenue increasing in all regions to approximately \$184 million, up 60% versus pcp. The Gold Monster 2000 was launched successfully, exceeding business case expectations with widespread feedback regarding its ability to detect very fine gold deposits in previously explored areas. A key near-term priority is driving adoption of the GPZ8000 across Africa, with training and grassroots activation activities continuing in FY27 as market awareness and adoption build.

Minelab continues to invest in product innovation and engineering to reinforce its leading technology position in detection markets which, coupled with distribution expansion, is expected to drive future revenue growth.

Outlook

The Group continues to deliver on the strategy of Building a Stronger Codan. Our strategic pillars of investing in people and systems, product development, strengthening Codan's position in core markets, expanding into new geographies and disciplined capital allocation will continue to guide our focus in FY27.

Market conditions remain positive across both Communications and Metal Detection. Elevated defence spending and ongoing geopolitical tensions globally continue to generate strong demand for unmanned systems, while Minelab benefits from demand for its market-leading products and a favourable gold price. Some constraints are emerging across certain parts of the global electronics supply chain, which we are monitoring for any impact to Codan operations.

The Communications business targets long-term sales growth of between 10% to 15% per annum and, as demonstrated over FY24 to FY26, this target growth range can be exceeded. As a result of the unprecedented levels of demand we are experiencing primarily in unmanned systems, we expect the first half of FY27 to significantly exceed the first half of FY26. Given the strong start to the year, subject to related supply chain constraints resulting from ongoing order momentum, we are currently targeting full-year FY27 revenue growth in the order of 20%.

Minelab is well positioned for FY27, with a full 12-month contribution from recently launched products. Early H1 FY27 market conditions have been positive, with strong demand in particular for the new GPZ8000 and Gold Monster 2000 detectors. As a result, both Africa and RoW are currently tracking broadly in line with H2 FY26 revenue run-rates. Overall, Minelab's H2 FY26 average monthly run-rate was approximately \$32 million, 15% higher than H1 FY26.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

With a strong balance sheet and a disciplined approach to capital allocation, the Group remains well positioned to continue to invest in product innovation and capability and to pursue future acquisitions that fit our product and technology roadmaps and enhance the quality, resilience and diversification of our earnings.

The Board will provide a further business update at the Annual General Meeting on 20 October 2026.

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 2026:				
FY25 final	16.0	29,098	100%	17 September 2025
FY26 interim	19.5	35,466	100%	12 March 2026
Declared after the end of the year:				
FY26 final	29.0	52,744	100%	16 September 2026

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 FY26 final dividend detailed in note 5 and the acquisition of Adaptive Dynamics per note 33, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction outside of that disclosed 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*, at the date of this report is as follows:

	Ordinary Shares	Unvested Performance Rights
Mr A Ianniello	79,535	302,090
Mr G R C Barclay	128,427	–
Mr H Mackay-Cruise	27,018	–
Ms K J Gramp	32,294	–
Ms S Adam-Gedge	19,648	–

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.

DIRECTORS' REPORT (continued)**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* 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 115 for a copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001*.

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	
	2026	2025
	\$	\$
STATUTORY AUDIT		
Audit and review of financial reports	394,248	430,120
	394,248	430,120
SERVICES OTHER THAN STATUTORY AUDIT		
Taxation advice and compliance services	27,255	29,815
Sustainability assurance	87,000	
Other assurance services	43,420	14,770
	157,675	44,585

ROUNDING OFF

The Company is an entity to which section 7 of the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applies and, in accordance with that section, 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 19th day of August 2026.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

LEAD AUDITOR'S INDEPENDENCE DECLARATION

under *Section 307C of the Corporations Act 2001*



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 the financial report and the review of specified sustainability disclosures in the sustainability report of Codan Limited for the financial year ended 30 June 2026 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 review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

A stylized, handwritten signature of the KPMG firm, appearing as 'KPMG' in a cursive script.

KPMG

A handwritten signature in cursive script, appearing to read 'Julie Cleary'.

Julie Cleary
Partner
Sydney
19 August 2026

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CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2026

		Consolidated	
	Note	2026 \$000	2025 \$000
CONTINUING OPERATIONS			
Revenue	2	874,965	674,226
Cost of sales		(356,368)	(295,471)
Gross profit		518,597	378,755
Other income	4	–	51
Administrative expenses		(78,108)	(61,640)
Sales and distribution expenses		(145,638)	(131,049)
Engineering expenses		(52,446)	(39,501)
Net financing costs	3	(5,629)	(12,718)
Other expenses	4	(546)	–
Profit before tax		236,230	133,898
Income tax expense	7	(61,054)	(30,405)
Profit for the period		175,176	103,493
Attributable to:			
Equity holders of the company		175,176	103,493
		175,176	103,493
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic earnings per share	6	96.5 cents	57.1 cents
Diluted earnings per share	6	95.9 cents	56.8 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 120 to 150.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2026

		Consolidated	
	Note	2026 \$000	2025 \$000
Profit for the period		175,176	103,493
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(4,812)	1,259
less tax effect		1,444	(378)
Changes in fair value of cash flow hedges, net of income tax	20	(3,368)	881
Exchange differences on translation of foreign operations	20	(31,321)	13,921
Other comprehensive income/(loss) for the period, net of income tax		(34,689)	14,802
Total comprehensive income for the period		140,487	118,295
Attributable to:			
Equity holders of the company		140,487	118,295
		140,487	118,295

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 120 to 150.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET

as at 30 June 2026

		Consolidated	
	Note	2026 \$000	2025 \$000
CURRENT ASSETS			
Cash and cash equivalents	8	50,733	39,731
Trade and other receivables	11	88,609	93,102
Inventory	12	133,116	140,700
Current tax assets	7	6,260	3,770
Other assets	13	45,784	45,463
Total current assets		324,502	322,766
NON-CURRENT ASSETS			
Property, plant and equipment	14	41,217	42,545
Right-of-use assets	31	30,812	31,098
Product development	15	178,655	165,400
Intangible assets	16	331,909	341,162
Other assets		1,834	1,834
Total non-current assets		584,427	582,039
Total assets		908,929	904,805
CURRENT LIABILITIES			
Trade and other payables	17	176,064	161,264
Lease liabilities	31	7,598	7,534
Current tax payable	7	14,704	7,856
Provisions	18	19,348	17,382
Total current liabilities		217,714	194,036
NON-CURRENT LIABILITIES			
Trade and other payables	17	7,963	18,751
Lease liabilities	31	34,820	35,202
Loans and borrowings	9	15,000	118,000
Deferred tax liabilities	7	18,571	10,369
Provisions	18	6,445	4,620
Total non-current liabilities		82,799	186,942
Total liabilities		300,513	380,978
Net assets		608,416	523,827
EQUITY			
Share capital	19	60,338	53,618
Reserves	20	74,706	107,449
Retained earnings		473,372	362,760
Total equity		608,416	523,827
Total equity attributable to the equity holders of the company		608,416	523,827
		608,416	523,827

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 120 to 150.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

	Consolidated						
	Share capital	Foreign currency translation reserve	Hedging reserve	Equity based payment reserve	Profit reserve	Retained earnings*	Total
2026	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2025	53,618	45,933	1,213	1,322	58,981	362,760	523,827
Profit for the period	-	-	-	-	-	175,176	175,176
Change in fair value of cash flow hedges	-	-	(3,368)	-	-	-	(3,368)
Exchange differences on translation of foreign operations	-	(31,321)	-	-	-	-	(31,321)
	53,618	14,612	(2,155)	1,322	58,981	537,936	664,314
Transactions with owners of the company							
Dividends recognised during the period	-	-	-	-	-	(64,564)	(64,564)
Performance rights expensed	-	-	-	6,512	-	-	6,512
Allocation of treasury shares	4,566	-	-	(4,566)	-	-	-
Director and employee share plans	2,154	-	-	-	-	-	2,154
	6,720	-	-	1,946	-	(64,564)	(55,898)
Balance at 30 June 2026	60,338	14,612	(2,155)	3,268	58,981	473,372	608,416

	Consolidated						
	Share capital	Foreign currency translation reserve	Hedging reserve	Equity based payment reserve	Profit reserve	Retained earnings*	Total
2025	\$000	\$000	\$000	\$000	\$000	\$000	\$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

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 120 to 150.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Note	Consolidated 2026 \$000	2025 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		890,203	682,458
Cash paid to suppliers and employees		(576,291)	(499,502)
Interest received		741	279
Interest paid		(6,472)	(10,454)
Finance charge on lease liabilities	31	(2,116)	(1,899)
Income taxes paid (net)		(56,725)	(24,245)
Net cash from operating activities	10	249,340	146,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries (net of cash acquired)	32	-	(35,666)
Proceeds from disposal of property, plant and equipment		-	38
Payments for capitalised product development	15	(51,769)	(49,271)
Payments for intellectual property		(1,712)	-
Acquisition of property, plant and equipment		(8,811)	(8,617)
Acquisition of intangibles (computer software and licences)		(1,004)	(4,540)
Net cash used in investing activities		(63,296)	(98,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns of borrowings	9	178,000	101,875
Repayments of borrowings	9	(281,000)	(79,000)
Payment of lease liabilities (principal)	31	(6,505)	(7,051)
Dividends paid	5	(64,564)	(44,483)
Net cash used in financing activities		(174,069)	(28,659)
Net increase in cash held		11,975	19,922
Cash and cash equivalents at the beginning of the financial year		39,731	19,703
Effects of exchange rate fluctuations on cash held		(973)	106
Cash and cash equivalents at the end of the financial year	8	50,733	39,731

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 120 to 150.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

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 2026 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 19th August 2026.

(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*.

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 to which section 7 of the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 applies and, in accordance with that section, amounts in the financial report and directors' 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 & 16).
- measurement of inventory net realisable value (refer note 1 (I))
- 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.

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 2025.

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). The group has prepared a Sustainability Report for the year ended 30 June 2026 in accordance with the *Corporations Act 2001* and applicable Australian Sustainability Reporting Standards. The Sustainability Report has been prepared and lodged separately to these financial statements and does not form part of these audited financial statements.

(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,

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. MATERIAL ACCOUNTING POLICIES (continued)**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.

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.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

(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.

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. MATERIAL ACCOUNTING POLICIES (continued)**(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.

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.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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.

(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.

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 2026

1. MATERIAL ACCOUNTING POLICIES (continued)

(x) Future Australian Accounting Standards requirements

A number of new standards are effective after 2026 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.

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 two 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.

Two or more operating segments may be aggregated into a single operating segment if they are similar in nature. The Communications segment comprises the following operating segments: DTC and Zetron, 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.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Information about reportable segments	Communications		Metal detection		Consolidated	
	2026 \$000	2025 \$000	2026 \$000	2025 \$000	2026 \$000	2025 \$000
Revenue						
Revenue recognised at a point in time	409,852	324,763	361,948	254,805	771,800	579,568
Revenue recognised over time	96,376	88,711	–	–	96,376	88,711
Unallocated revenue recognised at a point in time					6,789	5,947
Total external segment revenue	506,228	413,474	361,948	254,805	874,965	674,226
Result						
Segment result	155,982	107,893	162,418	98,170	318,400	206,063
Unallocated segment result					727	541
Unallocated net financing costs					(3,514)	(10,819)
Unallocated income and expenses					(79,383)	(61,887)
Profit from operating activities					236,230	133,898
Income tax expense					(61,054)	(30,405)
Statutory net profit					175,176	103,493
Non-cash items included above						
Depreciation and amortisation	33,435	26,723	10,442	10,226	43,877	36,949
Unallocated depreciation and amortisation					936	786
Total depreciation and amortisation					44,813	37,735
Assets						
Capital expenditure	50,228	40,501	16,657	19,368	66,885	59,869
Unallocated capital expenditure					2,543	2,559
Total capital expenditure					69,428	62,428
Segment assets	623,677	631,909	208,241	207,773	831,918	839,682
Unallocated corporate assets					77,011	65,123
Consolidated total assets					908,929	904,805

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 \$344.299 million (2025: \$262.813 million) and United Arab Emirates totalling \$123.244 million (2025: \$87.223 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 \$274.361 million (2025: \$279.272 million), Australia \$158.469 million (2025: \$159.340 million), United Kingdom \$72.939 million (2025: \$72.125 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

	Consolidated	
	2026	2025
	\$000	\$000
3. EXPENSES		
Net financing costs:		
Interest income	(741)	(279)
Net foreign exchange loss	1,219	302
Interest expense	6,472	10,454
Finance charge on lease liabilities	2,116	1,899
Foreign currency hedge (gain)/loss	(3,437)	342
	5,629	12,718
Depreciation of:		
Right-of-use assets	6,143	6,607
Leasehold property	2,624	1,819
Plant and equipment	6,675	5,936
	15,442	14,362
Amortisation of:		
Product development - straight-line	25,549	18,358
Product development - units of production	1,145	2,880
Intellectual property	345	36
Computer software	893	813
Licences	156	156
Customer Relationships	886	714
Brand names	397	416
	29,371	23,373
Personnel expenses:		
Wages and salaries	153,001	138,713
Other associated personnel expenses	21,131	18,395
Contributions to defined contribution superannuation plans	14,905	12,209
Long service leave expense	1,153	929
Annual leave expense	9,215	9,863
Performance rights plan	6,512	1,647
	205,917	181,756
4. OTHER EXPENSES / INCOME		
Other income:		
Other income	-	51
	-	51
Other expenses:		
Other expenses	546	-
	546	-

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Consolidated	
	2026	2025
	\$000	\$000

5. DIVIDENDS

Codan Limited has provided or paid for dividends as follows:

• ordinary final fully-franked dividend of 16.0 cents per ordinary share paid on 17 September 2025	29,098	
• ordinary interim fully-franked dividend of 19.5 cents per ordinary share paid on 12 March 2026	35,466	
• 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
	64,564	44,483

Since the end of the financial year, the directors declared a final ordinary fully franked dividend of 29.0 cents per share, payable on 16 September 2026. The financial impact of this final dividend of \$52.744 million has not been brought to account in the group financial statements for the year ended 30 June 2026 and will be recognised in subsequent financial reports.

Dividend franking account

Franking credits available to shareholders for subsequent financial years (30%)	54,056	41,659
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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 \$22.605 million (2025: \$12.451 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	175,176	103,493
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The weighted average number of shares used as the denominator number for basic earnings per share was 181,533,914 (2025: 181,290,944). The movement in the year is as a consequence of the shares issued under the company's share plans and performance rights vested.

The calculation of diluted earnings per share at 30 June 2026 was based on a weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares of 182,621,424 (2025: 182,234,502). The movement in the year relates to the shares issued under the company's share plans and performance rights vested.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

TAXATION

	Consolidated	
	2026	2025
	\$000	\$000
7. INCOME TAX		
A. Income tax expense		
Current tax expense:		
Current tax paid or payable for the financial year	63,385	28,711
Adjustments for prior years	(2,759)	(86)
	60,626	28,625
Deferred tax expense:		
Origination and reversal of temporary differences	(3,079)	2,865
(Recognition)/derecognition of tax losses/credits	3,507	(1,085)
Total income tax expense in income statement	61,054	30,405
Reconciliation between tax expense and pre-tax net profit:		
The prima facie income tax expense calculated at 30% on the profit from ordinary activities	70,869	40,169
Decrease in income tax expense due to:		
Additional deduction for research and development expenditure	(3,945)	(4,011)
Effect of tax rates in foreign jurisdictions	(4,737)	(3,329)
(Over)/under provision for taxation in previous years	(2,759)	(86)
Other deductible expenses	(2,347)	(1,472)
(Recognition)/derecognition of tax losses previously not booked	3,507	(1,085)
	60,588	30,186
Increase in income tax expense due to:		
Capital expenses relating to acquisitions and disposals	26	10
Non-deductible expenses	220	209
Other assessable amounts	220	
Income tax expense	61,054	30,405
B. Current tax (liabilities) / assets		
Balance at the beginning of the year	(4,086)	(7,156)
Net foreign currency differences on translation of foreign entities	(448)	(379)
Income tax paid (net)	56,725	24,245
Adjustments from prior year	2,750	7,915
Current year's income tax paid or payable on operating profit	(63,385)	(28,711)
	(8,444)	(4,086)
Disclosed in balance sheet as:		
Current tax asset	6,260	3,770
Current tax payable	(14,704)	(7,856)
	(8,444)	(4,086)

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Consolidated	
	2026	2025
	\$000	\$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)	38,488	35,643
Liabilities recognised from the identifiable intangible assets acquired from business combination	(3,561)	(8,927)
Set-off of tax in relation to deferred tax assets:		
Difference in depreciation of property, plant and equipment*	7,075	4,306
Payments for intellectual property not currently deductible	(313)	(3,845)
Provisions for employee benefits not currently deductible	(5,299)	(3,362)
Provisions and accruals not currently deductible	(7,429)	(5,761)
Sundry items	(2,091)	(352)
Carry forward overseas tax losses	(7,417)	(4,263)
Carry forward overseas R&D tax credits	(882)	(3,070)
	18,571	10,369

*As at 30 June 2026, deferred tax asset for lease liability was \$5.049 million (30 June 2025: \$8.296 million), while the deferred tax liability at 30 June 2026 for Right-of-Use asset was \$3.369 million (30 June 2025: \$7.210 million).

As at 30 June 2026 income tax losses of \$7 million (2025: \$9 million) and capital tax losses of \$24 million (2025: \$24 million) have not been recognised as a deferred tax asset. As at 30 June 2026, there are gross deferred tax assets of \$2.893 million (2025: \$12.450 million) and gross deferred tax liabilities of \$21.465 million (2025: \$22.819 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		
	2026	2025
Global operations - total consolidated tax expense	26%	23%
Australian operations - Australian company income tax expense*	20%	12%

*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 have been 28% (2025: 24%).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

CASH MANAGEMENT

	Consolidated	
	2026	2025
	\$000	\$000

8. CASH AND CASH EQUIVALENTS

Cash on hand	223	178
Cash at bank	50,510	39,553
	50,733	39,731

9. LOANS AND BORROWINGS**Non-Current**

Cash advance	15,000	118,000
	15,000	118,000

The group has access to the following lines of credit:**Total facilities available at balance date:**

Multi-option facility	250,000	200,000
Commercial credit card	10,071	4,512
	260,071	204,512

Facilities utilised at balance date:

Multi-option facility - cash advance	15,000	118,000
Multi-option facility - guarantees	901	1,221
Commercial credit card	2,049	1,120
	17,950	120,341

Facilities not utilised at balance date:

Multi-option facility	234,099	80,779
Commercial credit card	8,022	3,392
	242,121	84,171

In addition to these facilities, the group has cash at bank of \$50.733 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 2026 was \$15 million.

	2026	2025
Weighted average interest rates:	%	%
Cash at bank	1.55	1.03
Cash advance	5.61	6.27

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Liabilities		Equity	
Reconciliation of movements of liabilities to cash flows arising from financing activities:	Loans and Borrowings \$000	Lease liabilities \$000	Retained Earnings \$000	Total \$000
Balance as at 1 July 2025	118,000	42,736	362,760	523,496
Changes from financing cash flows				
Drawdowns of borrowings	178,000	–	–	178,000
Repayment of borrowings	(281,000)	–	–	(281,000)
Payment of lease liabilities (principal)	–	(6,505)	–	(6,505)
Dividend paid	–	–	(64,564)	(64,564)
Total changes from financing cash flows	(103,000)	(6,505)	(64,564)	(174,069)
Other changes				
New or extended leases	–	7,909	–	7,909
Net foreign currency differences on translation	–	(1,722)	–	(1,722)
Profit for the period	–	–	175,176	175,176
Total liability-related other changes	–	6,187	175,176	181,363
Balance as at 30 June 2026	15,000	42,418	473,372	530,790

	Consolidated	
	2026	2025
Notes	\$000	\$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	175,176	103,493
Add/(less) non-cash items:		
Depreciation	15,442	14,362
Amortisation	29,371	23,373
Performance rights and employee share plan expensed	6,512	1,647
Increase in income taxes	4,329	6,160
Increase/(decrease) in net assets affected by foreign currency translation	163	(115)
Net cash from operating activities before changes in assets and liabilities	230,993	148,920
Change in assets and liabilities during the financial year:		
Reduction/(increase) in receivables	4,493	1,900
Reduction/(increase) in inventories	7,584	(14,543)
Reduction/(increase) in other assets	(320)	(11,524)
Increase/(reduction) in trade and other payables	2,799	18,453
Increase/(reduction) in provisions	3,791	3,431
Net cash from operating activities	249,340	146,637

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

OPERATING ASSETS AND LIABILITIES

		Consolidated	
		2026	2025
	Notes	\$000	\$000
11. TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		89,070	94,195
Less: expected credit loss provision	26(a)	(1,992)	(2,110)
Other debtors		1,531	1,017
		88,609	93,102
12. INVENTORY			
Raw materials		22,043	42,631
Work in progress		25,085	28,293
Finished goods		85,988	69,776
		133,116	140,700
In FY26, inventories of \$275.430 million (2025: \$233.236 million) were recognised as an expense and included in cost of sales.			
13. OTHER ASSETS			
Prepayments		18,774	17,556
Net foreign currency hedge receivable		–	1,734
Project work in progress		21,628	24,533
Other		5,382	1,640
		45,784	45,463
14. PROPERTY, PLANT AND EQUIPMENT			
Leasehold property at cost		24,545	25,234
Accumulated depreciation		(12,250)	(10,540)
		12,295	14,694
Plant and equipment at cost		87,830	81,785
Accumulated depreciation		(63,441)	(59,217)
		24,389	22,568
Capital work in progress at cost		4,533	5,283
Total property, plant and equipment		41,217	42,545
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		14,694	15,768
Acquisitions through entities acquired (net value)		–	7
Additions		894	542
Disposals		–	(1)
Depreciation		(2,624)	(1,819)
Net foreign currency differences on translation of foreign entities		(669)	197
Carrying amount at end of year		12,295	14,694
Plant and equipment			
Carrying amount at beginning of year		22,568	20,227
Acquisitions through entities acquired (net value)		–	919
Additions		4,916	6,029
Transfers		3,703	1,035

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Notes	Consolidated	
		2026 \$000	2025 \$000
Disposals		–	(37)
Depreciation		(6,675)	(5,936)
Net foreign currency differences on translation of foreign entities		(123)	331
Carrying amount at end of year		24,389	22,568
Capital work in progress at cost			
Carrying amount at beginning of year		5,283	4,224
Additions		3,197	2,749
Transfers		(3,898)	(1,738)
Net foreign currency differences on translation		(49)	48
Carrying amount at end of year		4,533	5,283
Total carrying amount at end of year		41,217	42,545

15. PRODUCT DEVELOPMENT

Product development at cost	362,674	331,277
Accumulated amortisation and impairment losses	(184,019)	(165,877)
	178,655	165,400
Reconciliation		
Carrying amount at beginning of year	165,400	129,425
Acquisitions through entities acquired (net value)	–	6,895
Capitalised in current period	51,769	49,271
Derecognition of previously capitalised cost	(4,401)	–
Amortisation	(26,694)	(21,238)
Net foreign currency differences on translation of foreign entities	(7,419)	1,047
	178,655	165,400

16. INTANGIBLE ASSETS

Intellectual property at cost	23,635	22,042
Accumulated amortisation	(21,922)	(21,663)
	1,713	379
Computer software at cost	21,636	21,307
Accumulated amortisation	(16,045)	(15,329)
	5,591	5,978
Licences at cost	5,894	5,987
Accumulated amortisation	(5,665)	(5,640)
	229	347
Brand names	7,939	8,325
Accumulated amortisation	(1,969)	(1,649)
	5,970	6,676
Customer relationships	5,599	5,942
Accumulated amortisation	(2,456)	(1,655)
	3,143	4,287
Goodwill	315,263	323,495
Total intangible assets	331,909	341,162

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

OPERATING ASSETS AND LIABILITIES (continued)**16. INTANGIBLE ASSETS (continued)**

		Consolidated	
	Notes	2026 \$000	2025 \$000
Reconciliations			
Intellectual property			
Carrying amount at beginning of year		379	408
Additions		1,712	–
Amortisation		(345)	(36)
Net foreign currency differences on translation of foreign entities		(33)	7
		1,713	379
Computer software			
Carrying amount at beginning of year		5,978	2,095
Acquisitions through entities acquired (net value)		–	124
Additions		809	3,837
Transfers from capital work in progress		195	703
Amortisation		(893)	(813)
Disposals		(399)	–
Net foreign currency differences on translation of foreign entities		(99)	32
		5,591	5,978
Licences			
Carrying amount at beginning of year		347	500
Amortisation		(156)	(156)
Net foreign currency differences on translation of foreign entities		38	3
		229	347
Brand names			
Carrying amount at beginning of year		6,676	7,013
Amortisation		(397)	(416)
Net foreign currency differences on translation of foreign entities		(309)	79
		5,970	6,676
Customer Relationships			
Carrying amount at beginning of year		4,287	2,720
Acquisitions through entities acquired (net value)		–	2,401
Amortisation		(886)	(714)
Net foreign currency differences on translation of foreign entities		(258)	(120)
		3,143	4,287
Goodwill			
Carrying amount at beginning of year		323,495	291,856
Acquisitions through entities acquired (net value)		–	24,520
Adjustment on prior year's acquisitions		8,313	1,507
Net foreign currency differences on translation of foreign entities		(16,545)	5,612
		315,263	323,495
The following divisions have significant carrying amounts of goodwill:			
DTC		156,864	160,454
Zetron		104,443	109,085
Minelab		53,956	53,956
		315,263	323,495

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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% year on year 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 of 12-14%, dependent on the size of the cash generating unit (FY25:11-13%), has been applied to the forecast cash flows.

	Consolidated	
	2026	2025
Notes	\$000	\$000
17. TRADE AND OTHER PAYABLES		
Current		
Trade payables	39,374	61,294
Other payables and accruals	96,883	69,176
Contract liabilities*	36,729	30,794
Net foreign currency hedge payable	3,078	–
	176,064	161,264
Non-Current		
Other payables and accruals	4,071	12,825
Contract liabilities*	3,892	5,926
	7,963	18,751

*The revenue recognised in the current financial year that was included in the contract liability balance at the beginning of the financial year is \$30.794 million (FY25: \$29.681 million).

18. PROVISIONS

Current		
Employee benefits	12,474	11,957
Warranty repairs	4,840	4,261
Other	2,034	1,164
	19,348	17,382
Reconciliation of warranty provision		
Carrying amount at beginning of year	4,261	3,344
Provisions made	3,161	2,929
Payments made	(2,582)	(2,012)
	4,840	4,261
Non-Current		
Employee benefits	1,607	825
Other	4,838	3,795
	6,445	4,620

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

CAPITAL MANAGEMENT

	Consolidated	
	2026	2025
	\$000	\$000

19. SHARE CAPITAL**Share capital**

Opening balance (181,570,842 ordinary shares fully paid)	53,618	50,319
Issue of share capital through vested performance rights (179,584 shares)	4,566	1,863
Issue of share capital to directors and employees - other share plans (124,894 shares)*	2,154	1,436
Closing balance (181,875,320) ordinary shares fully paid)	60,338	53,618

*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

Foreign currency translation reserve	14,612	45,933
Hedging reserve	(2,155)	1,213
Equity based payment reserve	3,268	1,322
Profit reserve	58,981	58,981
	74,706	107,449

Foreign currency translation

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

Balance at beginning of year	45,933	32,012
Net translation adjustment	(31,321)	13,921
Balance at end of year	14,612	45,933

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.

Balance at beginning of year	1,213	332
Movement of hedging reserve	(3,368)	881
Balance at end of year	(2,155)	1,213

Equity based payment reserve

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

Balance at beginning of year	1,322	1,538
Performance rights expensed	6,512	1,647
Performance rights vested and exercised	(4,566)	(1,863)
Balance at end of year	3,268	1,322

Profit reserve

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

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

			Interest held	
Name	Country of incorporation	Class of share	2026 %	2025 %
Parent Entity				
Codan Limited	Australia	Ordinary		
Controlled Entities				
Broadcast Wireless Systems Limited ¹	UK	Ordinary	–	100
Codan Defence Electronics Pty Ltd	Australia	Ordinary	100	100
Codan Executive Share Plan Pty Ltd ²	Australia	Ordinary	–	100
Codan Radio Communications ME DMCC	UAE	Ordinary	100	100
Codan Radio Communications Pty Ltd	Australia	Ordinary	100	100
Codan (UK) Limited ³	UK	Ordinary	–	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 ⁴	USA	Ordinary	–	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.	Malaysia	Ordinary	100	100
Minelab Electronics Pty Limited	Australia	Ordinary	100	100
Minelab Electronics UK Limited	UK	Ordinary	100	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	100
SKT2 LLC - Kägwerks	USA	Ordinary	100	100
Spectronic Denmark A/S	Denmark	Ordinary	100	100
Wave Central LLC	USA	Ordinary	100	100
Zetron Air Systems Pty Ltd ⁵	Australia	Ordinary	–	100
Zetron Australasia Pty Ltd	Australia	Ordinary	100	100
Zetron Eagle Limited ⁶	UK	Ordinary	–	100
Zetron, Inc.	USA	Ordinary	100	100
Zetron Limited	UK	Ordinary	100	100

1 Broadcast Wireless Systems Limited was dissolved on 5 August 2025.

2 Codan Executive Share Plan Pty Ltd was deregistered on 8 October 2025.

3 Codan (UK) Limited was dissolved on 24 February 2026.

4 Domo Broadcast Holdings LLC was deregistered on 5 September 2025.

5 Zetron Air Systems Pty Ltd was deregistered on 8 October 2025.

6 Zetron Eagle Limited was dissolved on 6 January 2026.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

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* 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*. 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	
	2026	2025
	\$000	\$000
Summarised income statement and retained earnings		
External Revenue	130,815	106,055
Revenue from related parties	193,371	122,103
Net finance costs	(3,664)	(7,534)
Other income/(expense)	(180,822)	(135,330)
Profit before tax	139,700	85,294
Income tax expense	(27,993)	(11,361)
Profit after tax	111,707	73,933
Retained earnings at beginning of year	203,893	174,443
Retained earnings at end of year	251,036	203,893
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	7,261	4,624
Trade and other receivables	106,946	145,288
Inventories	46,943	59,409
Other assets	4,515	5,629
Total current assets	165,665	214,950
NON-CURRENT ASSETS		
Investments	282,304	206,511
Right-of-use assets	9,973	12,231
Property, plant and equipment	15,144	14,614
Product development	76,241	70,768
Intangible assets	58,057	58,237
Other assets	1,834	1,834
Total non-current assets	443,553	364,195
Total assets	609,218	579,145

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Consolidated	
	2026	2025
	\$000	\$000
CURRENT LIABILITIES		
Trade and other payables	173,778	95,838
Current tax payable	10,673	1,910
Lease Liability	3,190	3,103
Provisions	6,099	9,263
Total current liabilities	193,740	110,114
NON-CURRENT LIABILITIES		
Loans and borrowings	15,000	118,000
Lease Liability	10,673	13,515
Deferred tax liabilities	12,702	14,331
Provisions	5,100	783
Total non-current liabilities	43,475	146,629
Total liabilities	237,215	256,743
Net assets	372,003	322,402
EQUITY		
Share capital	60,338	53,618
Reserves	60,629	64,891
Retained earnings	251,036	203,893
Total equity	372,003	322,402

24. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2026, the parent company of the group was Codan Limited.

	Company	
	2026	2025
	\$000	\$000
Result of parent entity		
Profit after tax for the period	108,406	76,672
Other comprehensive income/(loss)	(4,893)	1,040
Total comprehensive income for the period	103,513	77,712
Financial position of parent entity at year end		
Current assets	173,476	228,849
Total assets	570,388	547,073
Current liabilities	167,516	90,860
Total liabilities	206,550	230,849
Total equity of the parent entity comprising:		
Share capital	60,338	53,618
Reserves	60,637	63,585
Retained earnings	242,863	199,021
Total equity	363,838	316,224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

OTHER NOTES

	Consolidated	
	2026	2025
25. AUDITOR'S REMUNERATION		
Audit services:		
KPMG - audit and review of financial reports - Group	394,248	430,120
Other firms - audit and review of financial reports	493,277	349,269
Other Services		
KPMG - taxation advice and compliance services	27,255	29,815
KPMG - sustainability assurance	87,000	–
KPMG - other assurance services	43,420	14,770
Other firms - taxation advice and compliance services	382,083	286,651
Other firms - other services	17,956	7,305
	1,445,239	1,117,930

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 2026, the customer with the group's highest trade and other receivable balance accounted for \$4.8 million (2025: \$6.6 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	
		2026 \$000	2025 \$000
Cash and cash equivalents	8	50,733	39,731
Trade and other receivables	11	88,609	93,102
The group's gross trade receivables at the reporting date by geographic region was:			
Australia/Oceania		5,433	10,205
Europe		26,265	20,341
Americas		42,842	49,830
Asia		6,153	5,689
Africa/Middle East		8,377	8,130
		89,070	94,195

Impairment losses

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

	Consolidated		Gross 2025 \$000	Impairment 2025 \$000
	Gross 2026 \$000	Impairment 2026 \$000		
Not past due	61,411	–	67,179	(909)
Past due 0-30 days	12,477	(129)	14,285	(168)
Past due 31-60 days	9,704	(100)	6,567	(31)
Past due 61-120 days	3,348	(735)	4,416	(19)
More than 120 days	2,130	(1,028)	1,748	(983)
	89,070	(1,992)	94,195	(2,110)

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	
	2026 \$000	2025 \$000
Balance at 1 July	2,110	2,528
Impairment loss/(reversal) recognised	–	(19)
Trade receivables written off to the allowance for impairment	(87)	(399)
Net foreign currency differences on translation	(31)	–
Balance at 30 June	1,992	2,110

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

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 2026					
Non-derivative financial liabilities					
Trade and other payables	140,328	(140,328)	(136,257)	(4,071)	–
Lease liabilities	42,418	(44,718)	(7,598)	(29,839)	(7,281)
Cash advance	15,000	(16,684)	(842)	(15,842)	–
	197,746	(201,730)	(144,697)	(49,752)	(7,281)
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)	(145,408)	(167,036)	(10,354)

(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	
	2026	2025
	\$000	\$000
Variable rate instruments		
Financial assets	50,733	39,731
Financial liabilities	(15,000)	(118,000)
	35,733	(78,269)

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	100 bp decrease
	\$000	\$000
30 June 2026		
Variable rate instruments	(357)	357
30 June 2025		
Variable rate instruments	(783)	783

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. The currencies in which these transactions are denominated are primarily USD.

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. At the time this report is released, the group has entered into a number of forward exchange contracts and collar contracts which will limit the foreign exchange risk on USD \$113 million of FY27 cash flows. The average forward exchange contract rate is 1AUD:0.71USD.

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

	Consolidated USD \$000
30 June 2026	
Cash and cash equivalents	5,125
Trade receivables	17,844
Trade payables	(16,931)
Gross balance sheet exposure	6,038
Hedge transactions relating to balance sheet exposure	(5,823)
Net exposure at the reporting date	215
30 June 2025	
Cash and cash equivalents	3,760
Trade receivables	22,710
Trade payables	(29,363)
Gross balance sheet exposure	(2,893)
Hedge transactions relating to balance sheet exposure	(2,290)
Net exposure at the reporting date	(5,183)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

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) \$000	Profit/(loss) before tax \$000
2026		
USD	280	(20)
	280	(802)
2025		
USD	(158)	471
	(158)	(45)

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 payable of \$3.078 million, for which an independent valuation was obtained from the relevant banking institution.

27. EMPLOYEE BENEFITS

	Consolidated 2026 \$000	2025 \$000
Aggregate liability for employee benefits, including on-costs:		
Current - short-term incentives and other accruals	22,539	17,825
Current - employee entitlements	12,474	11,957
Non-current - employee entitlements	1,607	825
	36,620	30,607

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	5.72%	5.11%
Settlement term	10 years	10 years

CODAN LIMITED AND ITS CONTROLLED ENTITIES

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 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, 13,672 performance rights have been cancelled. The total expense recognised as employee costs in FY26 in relation to performance rights issued was \$0.941 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 actual performance to 30 June has exceeded the performance target. Therefore, it is expected that 357,013 shares will be issued in FY27 to the Chief Executive Officer and certain employees.

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. Due to the departure of employees, 15,977 performance rights have been cancelled. The total expense recognised as employee costs in FY26 in relation to performance rights issued was \$4.112 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 2026

The Company issued 67,896 performance rights in relation to the FY26 LTI plan to the Chief Executive Officer. For the EPS growth performance hurdle, the fair value of the rights was on average \$29.00, based on the Black-Scholes formula. The model inputs were the share price of \$34.30, no exercise price, expected volatility 37.6%, dividend yield 0.8%, 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 \$25.50, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2028, volatility for each peer, historical returns for each peer and a vesting schedule applicable to the Chief Executive Officer.

The company issued 262,595 performance rights in March and April 2026 to certain employees. For the EPS growth performance hurdle, the fair value of the rights was on average \$31.41, based on the Black-Scholes Formula. The model inputs were the share price of \$34.81, no exercise price, expected volatility 34.6%, dividend yield 1.4%, a term of three years and a risk-free rate of 5.0%. For the RTSR performance hurdle, the fair value of the rights was on average \$30.01, based on the Monte Carlo simulation method. The model inputs for share price, expected volatility, dividend yield and the risk-free rate were the same as above. The other model inputs were a performance period of 3 years ending 30 June 2028, volatility for each peer, historical returns for each peer and a vesting schedule applicable to those employees. Due to the departure of employees, 4,074 performance rights have been cancelled. The total expense recognised as employee costs in FY26 in relation to performance rights issued was \$1.459 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 2026

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	
	2026	2025
	\$	\$
Short-term employee benefits	4,838,936	6,509,099
Post-employment benefits	149,765	191,960
Share-based payments	1,800,146	1,471,517
Other long term benefits	83,834	42,836
	6,872,681	8,215,412

(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

	2026	2025
	cents	cents
Net tangible asset per share	63.8	15.2
Net tangible asset per share (excluding right of use assets)	46.9	(1.8)

31. LEASES AND COMMITMENTS

	Consolidated	
	2026	2025
	\$000	\$000
Reconciliations		
Right-of-use assets at cost	62,639	58,095
Accumulated depreciation	(31,827)	(26,997)
	30,812	31,098
Right-of-use assets		
Carrying amount at beginning of year	31,098	34,369
Acquisitions through entities acquired (net value)	–	549
Additions	7,709	2,379
Depreciation	(6,143)	(6,607)
Net foreign currency differences on translation of foreign entities	(1,852)	408
Carrying amount at end of year	30,812	31,098

CODAN LIMITED AND ITS CONTROLLED ENTITIES

	Consolidated	
	2026	2025
	\$000	\$000
Lease Liabilities		
Carrying amount at beginning of year	42,736	45,921
Assumed liabilities through entities acquired	–	597
Additions	7,909	2,598
Finance charge on lease liabilities	2,116	1,899
Lease payments	(8,621)	(8,950)
Net foreign currency differences on translation	(1,722)	671
	42,418	42,736
of which are:		
Current lease liabilities	7,598	7,534
Non-current lease liabilities	34,820	35,202
	42,418	42,736

32. ACQUISITIONS OF SUBSIDIARIES

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

	Provisional fair value recognised at date of acquisition \$000	Fair value adjustment \$000	Final fair value \$000
Estimated fair value of consideration transferred			
Cash paid	37,394	–	37,394
Contingent consideration	7,530	(2,530)	5,001
Acquiree's cash balance at acquisition date	(1,292)	–	(1,292)
	43,632	(2,530)	41,103
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis			
Total assets	34,034	(7,188)	26,846
Total liabilities	(12,650)	(465)	(13,115)
	21,384	(7,653)	13,731
Estimated goodwill as a result of the acquisition			
Estimated fair value of consideration transferred	43,632	(2,530)	41,103
Estimated fair value of identifiable assets acquired and liabilities assumed, on a provisional basis	(21,384)	7,653	(13,731)
	22,248	5,124	27,372

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

OTHER NOTES (continued)

33.SUBSEQUENT EVENTS

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

On 31 July 2026, Codan acquired 100% of Adaptive Dynamics shares, a US-based engineering company specialising in the development of antijamming and interference mitigation technologies for mission-critical communications and Assured Positioning, Navigation and Timing (**APNT**).

The acquisition consideration comprises upfront consideration of \$17.1 million and deferred consideration totalling approximately \$4.3 million, subject to agreed technology development and integration milestones over the next two years. A tiered royalty payment will also be payable on the sale of Adaptive Dynamics' technology licences sold over the five-year period following completion. The acquisition will be funded by Codan's operating cash flow or existing debt facility. The impact of this transaction has not been brought to account in the group's financial report for the year ended 30 June 2026 and will be recognised in subsequent financial reports.

CODAN LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

as at 30 June 2026

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
Codan (US) Inc	Body Corporate	USA	100	Foreign	USA
Codan Defence Electronics 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
Corp Ten International Inc	Body Corporate	USA	100	Foreign	USA
Daniels Electronics Ltd	Body Corporate	Canada	100	Foreign	Canada
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 - Kågwerks	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 Australasia Pty Limited	Body Corporate	Australia	100	Australian	n/a
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 *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

- an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
- 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.

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 31 to 65 and the remuneration report on pages 5 to 22 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 2026 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 2026 set out on page 66 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 2026.
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 19th day of August 2026.



G R C Barclay
Director



A Ianniello
Managing Director & CEO

This is the original version of the Directors Declaration signed by the Directors on 19 August 2026. 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 116 to 150 as opposed to 31 to 65 outlined above and the Remuneration Report is set out on pages 95 to 110 as opposed to 5 to 22 outlined above. 1b) the consolidated entity disclosure statement as at 30 June 2026 is set out on page 151 as opposed to 66 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 2026 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 2026;
- 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 2026;
- 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

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

This matter was 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 this matter.

Revenue recognition (\$875 million)

Refer to Note 2 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Revenue recognition was a key audit matter due to: - High volume of transactions within revenue recognised from the sale of goods; - Complexity and judgements involved in applying the requirements of AASB15 Revenue from Contracts with Customers; - Significant judgements made by the Group in the recognition and measurement of revenue and the level of audit effort required by us in assessing the Group's assumptions underlying the timing of its recognition based on the terms of relevant agreements; and - The opportunity for manual intervention in the revenue recognition process, specifically relating to year end, presents conditions for revenue transactions to be recognised in the incorrect period. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: - We assessed the Group's accounting policies against the accounting standard requirements, our business understanding and industry practice. - We read a sample of executed customer contracts to understand the key terms of the arrangements and compared these to the criteria in the accounting standards, those in the Group's policies and against the Group's identified performance obligations. - We tested a sample of revenue transactions recorded throughout the year to underlying customer contracts, delivery dockets and invoices and assessed: - existence of an underlying arrangement with the customer; - the accuracy of amounts invoiced to customers; and - the completion of the associated performance obligation in accordance with the Group's revenue recognition policy and underlying arrangement with the customer. - We utilised data analysis to identify gross revenue transactions with higher risk characteristics to focus our further testing. We selected a sample for further testing to underlying documentation. For each sample selected: - checked the amount of revenue recorded by the Group to the amount of the sales invoice and customer contracts; and - checked the date the revenue was recognised by the Group to proof of delivery documents, assessed the date the customer obtained control, and products were delivered and accepted by the

CODAN LIMITED AND ITS CONTROLLED ENTITIES



	customer. - For a sample of revenue transactions recognised by the Group either side of year-end, assessed the period of revenue recognition against underlying evidence of the performance obligation being met including customer contracts and delivery dockets. - For a sample of contracts recognised on a percentage of completion basis, we: - assessed the required activities to complete the customer contract; - compared historical estimates of costs to complete to actuals experienced to assess the Group's ability to forecast costs to complete and inform our assessment of current year estimates; - tested a sample of project expenditure to underlying documentation; - read the contracted terms and conditions to understand the Group's obligations and used our knowledge of the business and industry to challenge the project risks, particularly the completeness of costs; - inquired with key project personnel to assess the project schedule, forecast costs compared to project budget, risks and opportunities; - We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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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. The Codan FY26 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 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 specified sustainability disclosures within the sustainability report and our respective assurance opinion/conclusion.

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; and
- 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 2026, 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 22 of the Directors' report for the year ended 30 June 2026.

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

Julie Cleary

Partner

Sydney

19 August 2026

This is the original version of the audit report over the financial statements signed by the Directors on 19 August 2026. Page references should be read as follows to reflect the correct references now that the financial statements have been presented in the context of the Annual Report in its entirety. The Remuneration Report is set out on pages 95-110 as opposed to pages 5 to 22 outlined above.

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules not disclosed elsewhere in this report is set out below.

Shareholdings as at 24 August 2026

Substantial shareholders

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

Shareholder	Number of ordinary shares
Interests associated with Starform Pty Ltd, Dareel Pty Ltd and Pinara Group Pty Ltd	27,876,495
P M Wall	26,808,151

Distribution of equity security holders

Number of shares held	Number of equity security holders	Issued Capital %
	Ordinary shares	
1 - 1,000	6,137	1.0%
1,001 - 5,000	2,349	3.2%
5,001 - 10,000	574	2.4%
10,001 - 100,000	471	6.1%
100,001 and Over	54	87.3%
Total	9,585	100%

The number of shareholders holding less than a marketable parcel of ordinary shares is 249.

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 24 August 2026 are as follows:

Class of security	Number of holders	Number of securities
Performance Rights	60	1,284,822

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 %
HSBC Custody Nominees (Australia) Limited	33,504,528	18.4%
Mrs Pamela Maunsell Wall	26,808,151	14.7%
J P Morgan Nominees Australia Pty Limited	22,573,301	12.4%
Citicorp Nominees Pty Limited	22,079,962	12.1%
Starform Pty Ltd	6,404,224	3.5%
Kynola Pty Ltd	4,500,000	2.5%
Dareel Pty Ltd <Campion College No 1 A/C>	4,418,292	2.4%
Dareel Pty Ltd <Campion College No 2 A/C>	4,418,292	2.4%
Dareel Pty Ltd <Campion College No 3 A/C>	4,418,292	2.4%
Dareel Pty Ltd <Campion College No 4 A/C>	4,418,292	2.4%
BNP Paribas Noms Pty Ltd	3,619,559	2.0%
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%
Pinara Group Pty Ltd	1,623,565	0.9%
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	1,595,141	0.9%
Mr Giles Edward Bettison <Giles Bettison Family A/C>	1,019,400	0.6%
Cedara Pty Ltd <The Cedar A/C>	990,000	0.5%
Rosevine Pty Ltd <Rosevine A/C>	967,254	0.5%
Griffinna Pty Ltd <Wood Dragon A/C>	712,000	0.4%
Mr David Uhrig & Mrs Lucille Uhrig <D & L Uhrig Retrmt Fund A/C>	650,620	0.4%
Total	150,282,997	82.6%

OFFICES AND OFFICERS

Company Secretary

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
Level 5, 115 Grenfell Street
Adelaide SA 5000

Telephone: 1300 556 161 (Australia)
International: +61 3 9415 4000
Postal: GPO Box 2975, Melbourne VIC 3001

CORPORATE DIRECTORY

CODAN LIMITED AND ITS CONTROLLED ENTITIES

Directors

Graeme Barclay (Chair)

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

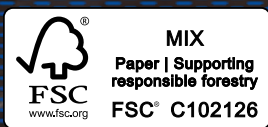
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