CODAN LIMITED | ABN 77 007 590 605
Technology Park, 2 Second Avenue, Mawson Lakes, SA 5095, Australia
PO Box: 35 Salisbury South, SA 5106, Australia

ASX RELEASE

20 August 2026

RESULTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 JUNE 2026

In accordance with ASX Listing Rule 4.3A, please find attached the following documents for the year ended 30 June 2026 for Codan Limited (ASX:CDA):

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

On behalf of the Board

Daniel Widera
Company Secretary

This announcement was authorised by the Board of Directors

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

– ENDS –

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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

Ben Wilson
Head of Investor Relations
Codan Limited
0488 792 566

Codan Limited

Appendix 4E
Preliminary Final Report under ASX Listing Rule 4.3A

For the year ended 30 June 2026

ABN	Previous corresponding period
77 007 590 605	30 June 2025

Results for announcement to the market				**$A'000**
Revenue from ordinary activities	Increased	30%	to	874,965
Profit after tax	Increased	69%	to	175,176
Profit from ordinary activities after tax attributable to members	Increased	69%	to	175,176
Net profit for the period attributable to members	Increased	69%	to	175,176

Dividends	Amount per security	Franked amount per security at 30% tax
Current Period: Final ordinary dividend proposed	29.0 cents	29.0 cents
Current Period: Interim ordinary dividend paid	19.5 cents	19.5 cents
Year end 30 June 2025: Final dividend paid	16.0 cents	16.0 cents
Record date for determining entitlements to dividends:	2 September 2026	

Brief explanation of any figures disclosed above which is necessary to enable the figures to be understood:

The 30 June 2026 Financial Report and the Market Announcement dated 20th August 2026 form part of and should be read in conjunction with this Preliminary Final Report (Appendix 4E).

This report is based on financial statements that have been audited. The audit report is included in the 30 June 2026 Financial Report.

Codan Limited
and its Controlled Entities
ABN 77 007 590 605

Financial Report

30 June 2026

Contents

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:

Name and Qualifications	Experience
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.

DIRECTORS (CONTINUED)

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.

Kathy Gramp
BA (Acc), FCA, FAICD*Life*

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.

DIRECTORS (CONTINUED)

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.
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.

COMPANY SECRETARY

Mr Michael Barton BA (Acc), FCA

Michael joined Codan in May 2004 as Group Finance Manager after a 14-year career with KPMG in their assurance division. He was appointed Company Secretary in May 2008 and in September 2009, Michael was promoted to the position of Chief Financial Officer and Company Secretary. Michael leads a team responsible for managing Codan's financial operations as well as legal and commercial matters and investor relations. He holds a Bachelor of Arts in Accountancy from the University of South Australia and is a fellow of Chartered Accountants Australia and New Zealand.

Mr Daniel Widera LLB/LP, Harvard PLD

Daniel joined Codan in March 2013 as Senior Legal Counsel, following eight years of experience as a corporate lawyer in both private practice and in-house roles. In September 2022, he was appointed General Counsel and Joint Company Secretary of Codan. In this capacity, Daniel leads Codan's global legal and compliance functions and oversees the group's Environmental, Social and Governance (ESG) program. He holds a Bachelor of Laws and Legal Practice from Flinders University and completed the Program for Leadership Development at Harvard Business School, earning full HBS alumni status in 2024.

Effective from 20 August 2026, Michael Barton will retire as Joint Company Secretary, with Daniel Widera, who is currently Codan's General Counsel and Joint Company Secretary, becoming Codan's sole Company Secretary.

DIRECTORS' MEETINGS

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

	Board meetings		Audit and Risk Committee meetings		People, Remuneration and Nomination Committee meetings	
Director	**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

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 30th 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.

REMUNERATION REPORT – AUDITED (CONTINUED)

Key messages from Chair of Remuneration and Nomination Committee (continued)

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 Relative Total Shareholder Returns (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.

- 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

REMUNERATION REPORT – AUDITED (CONTINUED)

Key Management Personnel

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 Key Management Personnel (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.

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 a short-term incentive plan (STI) and a long-term incentive plan (LTI).

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

The LTI plan is equity based and rewards Executive KMP for creating long term shareholder value by delivering long term earnings growth and share price performance. 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%;

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

- 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.

Other Executive KMP Remuneration

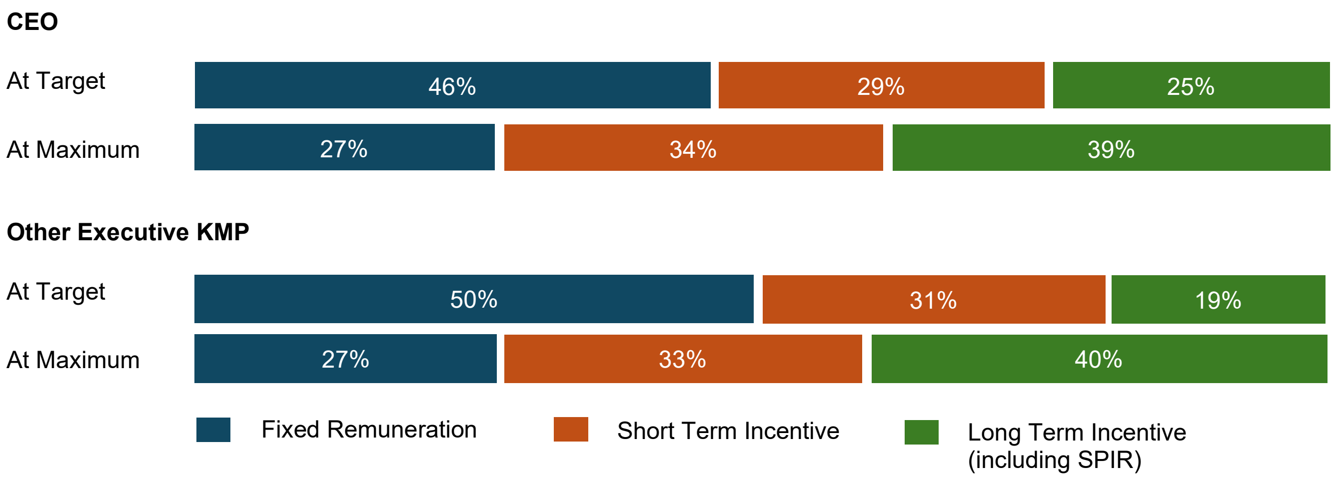
During FY26 the fixed salaries of Executive KMP (other than the CEO noted above) were reviewed and increases were in line with the company's general salary increase of 3.5% effective 1 January 2026.

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.



REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

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, order book (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:	Target CEO 62.5% of fixed pay Other Executive KMP 62.5% of fixed pay Maximum CEO 125% 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.

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

<table>
<tr><th>Feature</th><th colspan="3">Description</th></tr>
<tr><td rowspan="4">Performance Objectives (Group, as applicable):</td><td><u>Measure</u></td><td><u>Rationale</u></td><td><u>Measurement</u></td></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 cashflows</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>
<tr><td>Individual Performance Objectives:</td><td colspan="3">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.</td></tr>
<tr><td>Threshold, Target and Maximum Performance Objectives:</td><td colspan="3">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).</td></tr>
<tr><td rowspan="8">Percentage of STI depends on Actual Performance</td><td><u>Performance against STI objectives</u></td><td colspan="2"><u>Percentage of STI Paid</u></td></tr>
<tr><td>Less than Threshold</td><td colspan="2">0%</td></tr>
<tr><td>Equal to Threshold</td><td colspan="2">50%</td></tr>
<tr><td>More than Threshold, less than Target</td><td colspan="2">Pro-rated vesting from 50% to 100%</td></tr>
<tr><td>Target</td><td colspan="2">100%</td></tr>
<tr><td>More than Target, less than Maximum</td><td colspan="2">Pro-rated vesting from 100% to 200%</td></tr>
<tr><td>Maximum</td><td colspan="2">200%</td></tr>
<tr><td colspan="3">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.</td></tr>
</table>

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 67%). 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.

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

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.

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.

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

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.
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.

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>Summary of performance conditions</td><td>
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>
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>
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.
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 de-listings. The Board retains full discretion to determine, amend and calculate the vesting outcomes.
</td></tr>
</table>

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>Superior Performance Incentive Rights:</td><td>
The Superior Performance Incentive Rights (SPIR) issued to Executive KMP are an additional award of rights to incentivise Executive KMP to deliver superior financial performance for Codan shareholders above the 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 table below:
<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><u>EPS annual compounding growth</u></th><th><u>Percentage of rights vested</u></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.
</td></tr>
<tr><td>Conversion to shares:</td><td>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.</td></tr>
<tr><td>Restriction periods:</td><td>
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.
</td></tr>
<tr><td>Leaver provisions:</td><td>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.</td></tr>
</table>

REMUNERATION REPORT – AUDITED (CONTINUED)

FY26 Executive KMP Remuneration Structure and Outcomes (continued)

Feature	Description
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

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.

REMUNERATION REPORT – AUDITED (CONTINUED)

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

REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

Directors' and Executive KMP remuneration

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

Directors	Year	Salary and Fees*	Short-term incentives	Post-employment and superannuation contributions	Other long-term	Termination benefits	Performance rights	Total	Proportion of remuneration performance related
		$	$	$	$	$	$	$	%
NON-EXECUTIVE									
Mr G Barclay	**2026**	**276,170**	**-**	**33,140**	**-**	**-**	**-**	**309,310**	**-**
	2025	224,215	-	25,785	-	-	-	250,000	-
Ms K Gramp	**2026**	**167,741**	**-**	**20,129**	-	-	-	**187,870**	**-**
	2025	147,982	-	17,018	-	-	-	165,000	-
Ms S Adam-Gedge	**2026**	**152,066**	-	**18,248**	-	-	-	**170,314**	**-**
	2025	125,561	-	14,439	-	-	-	140,000	-
Mr H Mackay-Cruise	**2026**	**152,066**	-	**18,248**	-	-	-	**170,314**	-
	2025	125,561	-	14,439	-	-	-	140,000	-
Total non-executives' remuneration	**2026**	**748,043**	-	**89,765**	**-**	**-**	**-**	**837,808**	**-**
	2025	623,319	-	71,681	-	-	-	695,000	-
EXECUTIVE DIRECTOR									
Mr A Ianniello	**2026**	**1,410,890**	**1,718,750**	**30,000**	**64,828**	**-**	**1,307,431**	**4,531,899**	**66.8**
	2025	1,017,616	473,946	28,750	24,960	-	627,354	2,172,626	50.7
Total directors' remuneration	**2026**	**2,158,933**	**1,718,750**	**119,765**	**64,828**	**-**	**1,307,431**	**5,369,707**	
	2025	1,640,935	473,946	100,431	24,960	-	627,354	2,867,626	

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

REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

Directors' and Executive KMP remuneration (continued)

Executive officers	Year	Salary and fees	Short-term incentives	Post-employment and superannuation contributions	Other long-term	Termination benefits	Performance rights	Total	Proportion of remuneration performance related
		$	$	$	$	$	$	$	%
Mr M Barton (Chief Financial Officer and Company Secretary)	**2026**	400,740	**560,513**	**30,000**	**19,006**	**-**	**492,715**	**1,502,974**	**70.1**
	2025	391,663	402,814	28,750	17,876	-	68,317	909,420	51.8
Total Executive KMP remuneration	**2026**	**400,740**	**560,513**	**30,000**	**19,006**	**-**	**492,715**	**1,502,974**	
	2025	391,663	402,814	28,750	17,876	-	68,317	909,420	

REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

Directors' and Executive KMP remuneration (continued)

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.

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.

REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

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)	-	-

<u>Performance rights issued</u>

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	-

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

REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

<u>Performance rights issued in financial year 2026</u>

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.

<u>Performance rights issued in financial year 2025</u>

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.

<u>Performance rights issued in financial year 2024</u>

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.

REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Tables (Statutory Disclosures) (continued)

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 long-term growth.

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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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 pcp), 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 pcp, 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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Financial performance and other matters (continued)

Communications (DTC & Zetron) (continued)

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. H2 saw continued acceleration in unmanned revenue across both conflict regions and non-conflict defence and security programs in the US and Europe.

Product innovation included ongoing development of multi waveform radios, along with enhancements to the existing BluSDR™ 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 order book 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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Financial performance and other matters (continued)

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.

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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Financial performance and other matters (continued)

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.

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 30 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.

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.

KPMG

KPMG

Julie Cleary
Partner
Sydney
19 August 2026

Consolidated income statement for the year ended 30 June 2026

Codan Limited and its Controlled Entities

	Note	Consolidated 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 36 to 65.

Consolidated statement of comprehensive income

for the year ended 30 June 2026

Codan Limited and its Controlled Entities

	Note	Consolidated 2026 $000	Consolidated 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 36 to 65.

Consolidated balance sheet as at 30 June 2026

Codan Limited and its Controlled Entities

	Note	Consolidated 2026 $000	Consolidated 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 36 to 65.

Consolidated statement of changes in equity

for the year ended 30 June 2026

Codan Limited and its Controlled Entities

2026	Share capital $000	Foreign currency translation reserve $000	Hedging reserve $000	Equity based payment reserve $000	Profit reserve $000	Retained earnings $000	Total $000
	Consolidated						
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**

2025	Share capital $000	Foreign currency translation reserve $000	Hedging reserve $000	Equity based payment reserve $000	Profit reserve $000	Retained earnings $000	Total $000
	Consolidated						
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 36 to 65.

Consolidated statement of cash flows for the year ended 30 June 2026

Codan Limited and its Controlled Entities

	Note	Consolidated 2026 $000	Consolidated 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 provided 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 36 to 65.

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 (l))
- recognition of deferred tax assets: availability of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised (refer note 7)
- acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed.

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition

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

Sale of goods

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

Communications solutions

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

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

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

Maintenance and support services

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

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

(e) Net financing costs

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

(f) Foreign currency

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

Foreign operations

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

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign operations (continued)

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

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

(g) Derivative financial instruments

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

Hedging

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

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Taxation (continued)

Tax consolidation

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

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

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

(i) Value added tax

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

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

(j) Cash and cash equivalents

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

(k) Trade and other receivables

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

(l) Inventories

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

(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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Payables

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

(r) Interest bearing borrowings

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

(s) Employee benefits

Wages, salaries and annual leave

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

Long service leave

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

Defined contribution superannuation plans

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

(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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Leases (continued)

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.

(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 of 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.

GROUP PERFORMANCE (continued)

2. SEGMENT ACTIVITIES (CONTINUED)

Information about reportable segments	Communications 2026 $000	Communications 2025 $000	Metal detection 2026 $000	Metal detection 2025 $000	Consolidated 2026 $000	Consolidated 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).

	Consolidated 2026 $000	Consolidated 2025 $000
GROUP PERFORMANCE (CONTINUED)		
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	**-**	51
	-	51
Other expenses	**546**	-
	546	-

	Consolidated 2026 $000	Consolidated 2025 $000

GROUP PERFORMANCE (CONTINUED)

5 DIVIDENDS

Codan Limited has provided or paid for dividends as follows:

	2026 $000	2025 $000
- 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

	2026 $000	2025 $000
Franking credits available to shareholders for subsequent financial years (30%)	**54,056**	41,659

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.

	2026 $000	2025 $000
Net profit used for the purpose of calculating basic and diluted earnings per share	**175,176**	103,493

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.

	Consolidated 2026 $000	Consolidated 2025 $000
TAXATION		
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)
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%).*

	Consolidated 2026 $000	Consolidated 2025 $000
CASH MANAGEMENT		
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.

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

Reconciliation of movements of liabilities to cash flows arising from financing activities:	Liabilities: Loans and Borrowings $000	Liabilities: Lease liabilities $000	Equity: Retained Earnings $000	Total $000
Balance as at 1 July 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

	Note	Consolidated 2026 $000	Consolidated 2025 $000

CASH MANAGEMENT (CONTINUED)

10 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit after income tax to net cash provided by operating activities

	Note	2026 $000	2025 $000
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

OPERATING ASSETS AND LIABILITIES

11 TRADE AND OTHER RECEIVABLES

Current	Note	2026 $000	2025 $000
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

		2026 $000	2025 $000
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

		2026 $000	2025 $000
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

	Consolidated 2026 $000	Consolidated 2025 $000

OPERATING ASSETS AND LIABILITIES

14 PROPERTY, PLANT AND EQUIPMENT

	2026 $000	2025 $000
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:

	2026 $000	2025 $000
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
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

	Consolidated 2026 $000	Consolidated 2025 $000

OPERATING ASSETS AND LIABILITIES (CONTINUED)

15 PRODUCT DEVELOPMENT

	2026 $000	2025 $000
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

	2026 $000	2025 $000
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
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

	Consolidated 2026 $000	Consolidated 2025 $000
OPERATING ASSETS AND LIABILITIES (CONTINUED)		
16 INTANGIBLE ASSETS (CONTINUED)		
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

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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

17 TRADE AND OTHER PAYABLES

	2026 $000	2025 $000
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

	2026 $000	2025 $000
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

CAPITAL MANAGEMENT

19 SHARE CAPITAL

	2026 $000	2025 $000
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.

	Consolidated	
	2026	**2025**
	$000	**$000**

CAPITAL MANAGEMENT (CONTINUED)

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.

GROUP STRUCTURE

22 GROUP ENTITIES

Name	Country of incorporation	Class of share	Interest held 2026 %	Interest held 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.*

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:

GROUP STRUCTURE (CONTINUED)

23 DEED OF CROSS GUARANTEE (CONTINUED)

	Consolidated 2026 $000	Consolidated 2025 $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
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

GROUP STRUCTURE (CONTINUED)

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 $000	Company 2025 $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

	Consolidated 2026 $	Consolidated 2025 $
OTHER NOTES		
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

OTHER NOTES (CONTINUED)

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.

OTHER NOTES (CONTINUED)

26 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(a) Credit risk (continued)

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	Consolidated 2025 $000
Cash and cash equivalents	8	**50,733**	39,731
Trade and other receivables	11	**88,609**	93,102

	2026	2025
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 2026 $000	Impairment 2026 $000	Gross 2025 $000	Impairment 2025 $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	Consolidated 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

(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)

OTHER NOTES (CONTINUED)

26 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

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

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

	Profit/(loss) before tax	
	100 bp increase $000	100 bp decrease $000
30 June 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.

OTHER NOTES (CONTINUED)

26 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

Currency risk (continued)

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)

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

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

OTHER NOTES (CONTINUED)

27 EMPLOYEE BENEFITS (CONTINUED)

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.

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 $	Consolidated 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
Net tangible asset per share	**63.8 cents**	15.2 cents
Net tangible asset per share (excluding right of use assets)	**46.9 cents**	(1.8) cents

31 LEASES AND COMMITMENTS

Reconciliations	Consolidated 2026 $000	Consolidated 2025 $000
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
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**

OTHER NOTES (CONTINUED)

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:

Estimated fair value of consideration transferred	Provisional fair value recognised at date of acquisition $000	Fair value adjustment $000	Final fair value $000
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

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 anti-jamming 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.

Consolidated entity disclosure statement as at 30 June 2026
Codan Limited and its Controlled Entities

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 - Kägwerks	Body Corporate	USA	100	Foreign	USA
Spectronic Denmark A/S	Body Corporate	Denmark	100	Foreign	Denmark
Wave Central LLC	Body Corporate	USA	100	Foreign	USA
Zetron 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 Corporation Acts 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:

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

b) a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

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

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

DIRECTORS’ DECLARATION

Codan Limited and its controlled entities

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

KPMG

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.

KPMG

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

	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.

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.

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